

A person wearing a white shirt is holding a small green plant with soil. The person's hands are visible, and they have red nail polish. The background is blurred, showing green foliage and a wooden table.

Scotts **Miracle-Gro**

2020 CORPORATE RESPONSIBILITY REPORT

GROWING MORE GOOD EVERYWHERE

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ABOUT THIS REPORT

This report, the company's ninth, has been prepared in accordance with the GRI Standards: Core option and covers the company's operations for the 2019 fiscal year unless otherwise noted. While the content of this report reflects all of ScottsMiracle-Gro, including affiliated entities, the environmental data does not include The Hawthorne Gardening Company's operations, unless specifically identified. As these operations become further integrated into the business, we will begin including their data in our reporting. Please see the company's [Investor Relations](#) page for consolidated financial statements. Your input and feedback is important—please contact sustainability@scotts.com with any comments or questions.



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LETTER FROM LEADERSHIP

Someone once asked what I'm most proud of when it comes to ScottsMiracle-Gro. It is not our market-leading brands or leadership in our industry. Rather it's about being part of something bigger, being part of an organization that is rooted in family and in purpose.

My father, Horace, who founded Miracle-Gro, operated by a simple rule: "To find a need and fill it." Yes, that meant meeting the needs of consumers and the marketplace. But it also meant meeting the needs of society. Horace also famously said that companies — like gardeners — "can't just keep taking from the Earth; you have to give something back." His words remain just as relevant today.

There is a lot of attention paid these days to so-called "purpose-driven" brands and companies. But, I submit, that's what we've been all along. Based on a core belief that good can grow anywhere, simply put, our purpose is to "GroMoreGood everywhere".

I believe the time has come to share our corporate purpose more broadly and to tell the world what we're really about. And here's why. It not only drives us but also serves as an example of what the world needs more of now—more good.

In this 2020 Corporate Responsibility Report, you'll see how we bring this purpose to life in our commitments to the environment, our communities and our associates. We'll share our continuing efforts on our sustainability journey. And we'll provide important updates on how we are fostering a safe, healthy and inclusive workplace and providing essential products in the face of the ongoing COVID-19 crisis.

In 2019, we took meaningful steps to further our strategy and management of environment, social and governance topics, commonly referred to as ESG. We completed an assessment and prioritization of ESG topics, taking a deep look at our operations, stakeholders and leading frameworks and benchmarks. The outcomes helped us to identify our key areas of ESG focus for the next five years. This process was driven by our associates across the organization in truly collaborative fashion.

It was in the later stages of the creation of this report when our global way of life began to change. In a span of weeks, the strength and commitment of our entire organization was focused on putting protocols and programs in place to help protect our associates. We also took additional steps to ensure our people wouldn't suffer economic harm from a crisis that, for most of them, came out of nowhere.

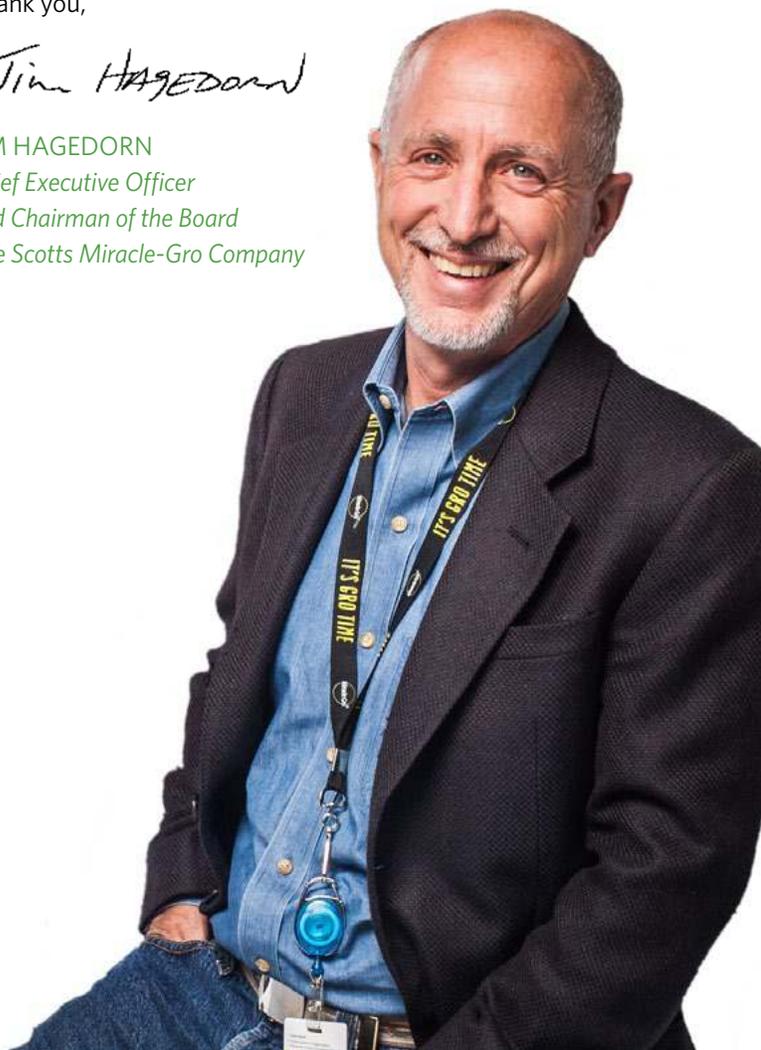
But it's not in our nature to sit back and say that it's good enough. This report shows how we are continuing to live out our purpose, in 2020 and beyond. Our commitment to growing more good everywhere means we're working to give back to our communities, ensure our products work in concert with the environment and put the needs of our associates at the forefront of what we do.

It's how we are working to leave our corner of the world in better shape than we found it.

Thank you,



JIM HAGEDORN
Chief Executive Officer
and Chairman of the Board
The Scotts Miracle-Gro Company



COVID-19 RESPONSE

The global coronavirus pandemic has profoundly impacted all of our lives. Early in 2020, our Board of Directors and leadership team recognized the seriousness of the virus' potential impact on our associates and business and began preparing to respond. Our primary focus was the safety of our associates in all areas of our business. As an essential business, we continued operating throughout the crisis. However, we put procedures in place in our more than 50 manufacturing and distribution facilities to allow for social distancing, the frequent cleaning of equipment and other safety measures. We also changed the working hours of our field sales force to ensure minimal human interaction, and we were one of the first companies in the United States to close office facilities and require those associates to work from home.

"OUR COUNTRY IS FACING A CHALLENGE UNLIKE ANYTHING IT'S EVER SEEN BEFORE. DURING TIMES LIKE THIS, IT'S THE RESPONSIBILITY OF EVERY CITIZEN, AND ESPECIALLY EVERY COMPANY, TO DO THE RIGHT THING TO PROTECT OUR PEOPLE AND HELP OUR COUNTRY REMAIN STRONG."

- Jim Hagedorn, Chairman and CEO

We were ahead of the curve in dealing with the coronavirus, and we are proud of the steps we took. Those actions didn't go unnoticed. Ohio Gov. Mike DeWine's administration reached out to our leadership team several times seeking counsel on how they could help other employers manage these issues. We had engaged a team of experts, including in the area of public health, to inform our pandemic preparedness and response. This team participated in multiple webinars for manufacturers to provide counsel on how to best protect employees based on available data and the current understanding of the virus.

BUSINESS RESILIENCY

As the pandemic took hold in North America and states and cities began imposing stay-at-home orders, public health and elected officials acknowledged the therapeutic and food security benefits of gardening. Suddenly stuck at home for long periods of time, consumers turned to gardening as a form of respite and release. As a result, our company saw an unprecedented consumer demand for our products.

Fortunately, we had prepared well. We have maintained a pandemic response plan for more than a decade, going back to the avian flu outbreak in 2008. Our supply chain remained intact, and we were able to implement our remote work protocols and adapted onsite working protocols quickly. Working closely with our retail partners, we continued getting products to consumers at a time when they needed them the most.

CLEAR LEADERSHIP COMMUNICATION

By the end of January, our leaders were already working to develop protocols and communicate them to associates across a variety of channels. This included leadership emails, podcasts and virtual town halls. In fact, we provided our first company-wide communication on COVID-19 to associates on January 30.

In March, our executive team hosted its first virtual town hall meeting about the pandemic. Leaders provided updates from around the business, reaffirmed their commitment to our associates, customers and consumers, and answered questions from associates. More than 3,000 associates joined live or watched the recording.



“THANK YOU SO MUCH FOR THE GREAT TOWN HALL MEETING. IT WAS A GREAT WAY TO CONNECT IN THESE UNPRECEDENTED TIMES. I FEEL HONORED TO BE A PART OF THIS AWESOME COMPANY NOW MORE THAN EVER. THANK YOU FOR EVERYTHING YOU ARE DOING TO HELP US STAY SAFE AND FEEL SECURE.”

– Michele Bouquet, Associate Analyst,
Regulatory Affairs

THE SAFETY OF OUR ASSOCIATES: PRIORITY NO. 1

In a message to all associates on March 23, Jim Hagedorn acknowledged the balance of continuing to operate as an essential business while devoting significant time and resources in an effort to protect our associates. Referencing federal, state and provincial guidelines for essential businesses, Jim said, “Our products are essential to growing food at home and to maintaining a safe and sanitary household free from rodents and public health pests. While we’ve decided to continue operating, we remain first and foremost committed to the safety of our associates.”

What did this mean for our company? First, associates who could perform their jobs from home were directed and resourced to work remotely by the middle of March. For those location-essential associates working in sales and manufacturing—about two-thirds of our workforce—who could not perform their jobs remotely, the company implemented enhanced health and safety procedures. Customized to each workplace, these protocols included implementing increased sanitation and cleaning procedures, marking off safe distances, putting up physical barriers between workstations, closing down common areas and staggering arrival and departure times to reduce unnecessary contact.

We also adjusted sick leave policies to accommodate associates who became ill or needed to care for family members and began providing premium pay for our frontline workers. This pay was among the most generous in the nation at the time, amounting to 150% of many frontline workers' normal hourly rate.

The mental health challenges associated with the pandemic are very real. Our Human Resources team has encouraged associates in need to access the Employee Assistance Program and shared our mental health resources, including articles, drop-in video chats and online classes. We began featuring regular podcasts and Q&A sessions with Dr. John Zerbe, a board-certified internist and former global medical director for GE Aviation. Dr. Zerbe answered questions from our associates and provided practical, reassuring advice.

COMMUNITY SUPPORT

Caring for our community has always been important to our company and continues to be in the time of coronavirus. Our community relations team worked to release new funds to hard-hit organizations and provide flexibility to existing grantees to use funding for the most urgent needs in their neighborhoods. We adjusted product donations to accommodate state and local restrictions and worked directly with our partner nonprofits to adjust programming timelines and delivery models, all while maintaining strong support in a time of deep uncertainty.

Hand sanitizer for frontline associates

During the onset of the crisis, when hand sanitizer supplies were exhausted, our Research & Development (R&D), Environmental Health and Safety (EHS) and logistics teams worked together to produce our own and provide them to our U.S. sales and manufacturing associates. Over a three-week period, this cross-functional team developed, produced and shipped 1,169 32-ounce bottles of hand sanitizer to our frontline workers.

Face shields for first responders

In early April, we shifted production in our Temecula, California, manufacturing plant to produce face shields to help protect healthcare workers and first responders in critical need areas across the country. The Temecula facility normally produces durable products, including lawn spreaders, but quickly retooled to mold and create the face shields, which can be worn alone or over other protective equipment

to help protect against the spread of COVID-19. Led by Plant Manager Claudia Contreras, this same manufacturing team also created and manufactured mask bands to enhance comfort for employees who wear masks for extended periods of time. By mid-April, we donated our first shipment of 9,000 face shields to first responders, including police officers and hospital workers, in hard-hit areas of California and New York. In subsequent weeks and months, we produced more than 600,000 face shields and delivered personal protective equipment to other impacted areas in New Jersey, Florida, Ohio and Michigan. We also utilized our robust plant network to connect with more remote communities who needed help with face shields and mask bands but might otherwise have gone overlooked.



Workers at our Temecula, California, manufacturing plant donning face shields made for healthcare workers and first responders.

Growing media for plant-based vaccines

For the past several years, Scotts Canada, and the Saint-Bonaventure facility in particular, has been a key supplier of growing media to Medicago, a Quebec-based company working to develop plant-based vaccines. Medicago recently established a COVID-19 vaccine development program. The company approached our team with a special request to provide an expedited shipment of a custom mix of growing media for this effort. Our answer was a resounding yes. Local leadership adjusted its production schedule during the busiest time of year to accommodate this need. They also involved our R&D team to help confirm that the quality of the mix met specific criteria for pH levels, humidity and density, ensuring it could be used in the fight against the coronavirus.

ABOUT SCOTTMIRACLE-GRO

Few companies have roots as deep as ours. We've evolved from a family general store to North America's leader in lawn and garden as well as indoor and hydroponic growing products. We're headquartered in Marysville, Ohio, only five miles from where our company was founded by a Civil War veteran more than 150 years ago.

Our more than 5,600 regular associates form the heart and soul of our company, making our vision a reality by delivering products and solutions that help you create beautiful gardens, indoor growing operations, vibrant plants and landscapes that thrive. Our legacy is rooted in trust, innovation and doing the right thing—for today's gardeners and growers and the ones who come tomorrow.

Our key consumer lawn and garden brands include Scotts® and Turf Builder® lawn and grass seed products; Miracle-Gro® gardening and landscape products; and Ortho®, Home Defense® and Tomcat® branded insect control, weed control and rodent control products.

Through our Hawthorne segment, we are a leading manufacturer, marketer and distributor of nutrients, growing media, advanced indoor growing, lighting and ventilation systems and accessories for hydroponic gardening. Our key brands include General Hydroponics®, Gavita®, Botanicare®, Vermicrop®, Agrolux® and Can-Filters®. We are the majority owner of AeroGarden®, a company that manufactures hydroponic gardening products for consumers.

Our company traces its heritage to a company founded by O.M. Scott in Marysville, Ohio, in 1868. In the early 1900s, we began selling grass seed to consumers and, in the late 1920s, developed and sold high-quality fertilizers

specifically designed for use on lawns, thus creating a new industry—consumer lawn care.

In the 1990s, we significantly expanded our product offering with three powerful leading brands in the United States home lawn and garden industry. In fiscal 1995, through a merger with Stern’s Miracle-Gro Products, Inc., which was founded by Horace Hagedorn and Otto Stern in Long Island, New York, in 1951, we acquired the Miracle-Gro® brand, the industry leader in water-soluble garden plant foods. In fiscal 1999, we acquired the Ortho® brand in the U.S. and obtained exclusive rights to market Monsanto’s consumer Roundup® brand within the U.S. and other contractually specified countries, thereby adding industry-leading weed, pest and disease control products to our portfolio.



OUR CULTURAL ATTRIBUTES

HOW WE ACT

PASSIONATE
RESPECTFUL
ETHICAL

WHO WE ARE

ACCOUNTABLE
EMPOWERED
COLLABORATIVE
FLEXIBLE

HOW WE GRO

INNOVATIVE
ENTREPRENEURIAL
DIVERSITY OF
THOUGHT

VISION AND VALUES

Our purpose: To GroMoreGood everywhere. We believe that good can grow anywhere and that everyone can GroMoreGood, not only in their own backyards, but in the greater world around them. Our company invests in the potential of this belief across all the people we serve, both inside and outside of the company.

Our vision: To help people of all ages express themselves on their own piece of the Earth.

Our actions as a company, and as individuals, are guided by our cultural attributes above.

GOVERNANCE

Leadership Structure and Board of Directors

Our dedication to serving others starts with our leadership. Jim Hagedorn, our CEO and Chairman of the Board, shares a lifelong passion and commitment to the lawn and garden industry. The Board of Directors is the highest governance body at our company. There are five committees of the Board: Finance, Audit, Innovation & Technology, Compensation & Organization and Nominating & Governance. Each committee’s charter can be found on our [website](#). Our senior leadership actively engages with environmental and social policies, risks and opportunities. In addition, our Board works with senior leadership to provide oversight of economic, environmental, social and governance (ESG) topics including climate change and human rights. The chair of the Nominating & Governance Committee, a former Administrator of the U.S. Environmental Protection Agency, serves as the liaison between management and the Board of Directors on ESG issues.



Satish Jain and Ricardo Bartra participate in the 2020 Associate Gardens planting day. Located on our Marysville, Ohio, campus, the gardens provide approximately 2,500 pounds of fresh food to local families every year.

The company's current directors, as a group, reflect a diverse mix of skills, experiences, backgrounds and opinions helpful to foster an effective decision-making environment and promote the company's culture. Currently, two of the ten directors are women. The Nominating & Governance Committee evaluates the entirety of each candidate's credentials, including factors such as experience, skill, age, diversity of background, race and gender, as well as each candidate's judgment, strength of character and specialized knowledge.

Ethics and Code of Conduct

We earn the trust and respect of consumers by doing the right thing every day. [Our Business Code of Conduct](#) guides our actions as a company, from our associates to our Board of Directors. We each commit to operating ethically and leading with integrity, including complying with applicable laws and regulations. Beyond that, we maintain a culture in which our associates can ask questions, raise concerns and report issues without fear of reprisal. Our anonymous ethics and compliance helpline encourages anyone to report violations of our Code. We take ethics violations seriously, and we commit to investigating any reported incident.

Our behavior as ScottsMiracle-Gro associates is guided by our Human rights, Environmental and Anti-Discrimination policies, found on our website. These commitments are

informed by international best practices and standards. We periodically review and update our policies to include emerging issues of concern for our business.

Compliance

The compliance team, led by our Legal department, works across the enterprise to identify and prioritize compliance objectives and help our leaders incorporate them into business processes. We focused on an array of topics in 2019, including product and pesticide compliance, cyber security, enterprise risk management and anti-corruption. Notable achievements included the following:

- Training on compliance topics and policies for VPs, growing media plant management, information technology and Hawthorne associates
- Continued integration of Hawthorne into training, review processes and policy development
- Formation of a Global Data Protection and Privacy Steering Committee, composed of executives and technical experts from across the business
- Training on bribery and corruption to parts of the business operating in higher-risk jurisdictions
- Development of enhanced third-party due diligence processes for Hawthorne

A man and a woman are sitting on a patio, smiling and looking at each other. The man is wearing a light blue button-down shirt and dark pants. The woman is wearing a grey sweater and blue jeans. They are sitting on a brown outdoor sofa with white cushions. The background shows a large tree with green leaves and some pink flowers. The scene is outdoors and appears to be a pleasant, sunny day.

STAKEHOLDER ENGAGEMENT

Our company engages with local, national and international organizations that align with our strategic priorities. These stakeholders include shareholders, associates, customers, consumers, suppliers and elected officials. Other examples of our stakeholder engagement, such as our research collaborations and nonprofit partnerships, can be found throughout this report.

Industry and Trade Associations. We participate in industry trade associations that represent our interests across diverse aspects of our business. Some of the organizations we engage with include the following:

- American Association of Plant Food Control Officials
- American Seed Trade Association
- BIO
- Canadian Sphagnum Peat Moss Association
- CropLife America/CropLife Canada
- Household and Commercial Products Association
- Mulch & Soil Council
- US Compost Council
- Compost Council of Canada
- Canadian Consumer Specialty Products Association
- Fertilizer Canada Products Committee
- Cannabis Trade Federation
- National Cannabis Industry Association

Professional Associations. We enable our R&D associates to maintain active memberships in professional associations related to their scientific disciplines, including biology, chemistry, packaging and engineering. Associates in Marketing, Supply Chain, Finance and other departments also participate in a wide array of professional associations. This ensures they can stay at the top of their field and bring new innovations back to inform their work at our company.

Political and Lobbying Contributions. We engage in public policy that affects our company. Our advocacy includes educating and lobbying elected and appointed officials at all levels of government and focuses on a wide variety of issues that affect our enterprise. In some cases, we build these relationships directly between our Government Relations team and our leadership and officials. At other times, we leverage state and federal trade associations to create these connections.

We also support groups that facilitate conversations among government officials on policy. ScottsMiracle-Gro is a member of the Council of State Governments, the National Council of State Legislatures (Agriculture Work Group), State and Agriculture Rural Leaders (SARL) and the National Association of State Agriculture Directors (NASDA).

We are also a supporting member of political organizations that support key officials in their election campaigns. These organizations include the Republican Governors Association, the Democratic Governors Association, the Senate Leadership Fund and the Congressional Leadership Fund. Under certain conditions and when state laws permit the donation, ScottsMiracle-Gro will donate corporate dollars to support candidates, without regard to their political party, who support our freedom to operate and share our views on important business issues.

ScottsMiracle-Gro also operates The Scotts Stewardship Political Action Committee (SPAC). The SPAC was created in 2001 and is supported by our associates and members of the Scotts Board of Directors. To learn more about the donations of the SPAC, please visit the Federal Elections Committee website at www.fec.gov.

In addition, ScottsMiracle-Gro also works with groups to educate policymakers and the public on issues that are of importance to our company. This support includes providing consistent, sustaining support to a 501(c)4, The Good Growth Alliance, to advance policy and educational efforts related to a variety of issues that impact society, our business and our customers and consumers.

Non-Profit Organizations. We engage with non-profit organizations, especially with those that align with our priority areas. We work most directly with organizations that enable gardens and greenspaces and work to promote water quality.

Customers. We meet with our retail partners regularly to discuss and align our corporate responsibility programs with their ambitions. We also engage with them through surveys or annual updates.

Consumers. We maintain open channels of communication with the people who use our products to discuss our company, products and responsibility efforts. We use our website to educate consumers on our ingredients and our products, including how to use them safely in accordance with their labels or instructions.

Suppliers. We recognize that our suppliers play an important role in our operations. We engage with our suppliers annually, through our supplier conference, and throughout the year as issues may arise. We work directly with suppliers on priority issues for Scotts, like packaging and raw material sourcing.

MATERIALITY AND GOALS

We are committed to doing our part to create a sustainable future for all of us. This means working together—across our organization and with key stakeholders—to create products that work for people, pets and the environment, while investing in our associates and our local communities.

SUSTAINABILITY TEAM

In 2019, we re-established a cross-functional sustainability team that initially met in 2010 to further our environmental, social and governance (ESG) strategy. This team's mandate includes establishing benchmarks, setting goals on ESG topics and creating implementation and monitoring plans. Representing Supply Chain, R&D, Human Resources, Marketing and Corporate Affairs, this team meets regularly to advance its work. Accountable to senior leadership, the team communicates priorities and plans through our company structure from leaders to associates, and updates are provided at meetings of the Board of Directors.

MATERIALITY ASSESSMENT

The sustainability team retained the services of an outside consulting firm specializing in ESG matters to help ScottsMiracle-Gro prioritize its most important ESG opportunities and risks through a formal materiality assessment. Following the guidelines of the Global Reporting Initiative (GRI), a leading sustainability reporting framework, the team identified relevant topics, prioritized the most material ones and validated these findings with senior leaders. We ranked material topics based on their relative importance to our stakeholders and to the company.

Our rigorous process included a thorough research and benchmarking phase, engagement of associates, stakeholder interviews with leaders and relationship owners, results analysis and validation with leadership. The sustainability team drove the process internally and ensured the perspectives of leaders, frontline workers and external stakeholders informed this work.

Prioritization Process

RESEARCH & BENCHMARKING

Applied internal information and external frameworks to identify potentially relevant ESG topics.

IMPACT MAPPING

Brought together experts from across the company to identify ESG impacts, risks and opportunities across our value chain.

STAKEHOLDER ENGAGEMENT

Gathered perceptions of stakeholder priorities based on associated facts and evidence, including interviews.

SYNTHESIS & ANALYSIS

Evaluated additional sources, including benchmarking, industry and global trends, relevant industry standards, regulations and studies.

VALIDATION

Solidified the materiality matrix through discussion with key leaders about prioritized material topics, associated boundaries and opportunities.

INTEGRATION

Used materiality results to drive a sustainability goal-setting process and guide our strategy for the next several years.



Materiality Results

TOPIC	FOCUS AREA	MANAGEMENT	EMERGING	TOPIC DEFINITION
PRODUCT STEWARDSHIP	X			Developing products, packaging and dispensing solutions that have reduced impacts on humans and the environment and improve sustainability performance throughout their lifecycle.
PRODUCT SAFETY AND PERFORMANCE	X			Managing emerging materials and ingredients and using green chemistry principles while maintaining a high level of performance and meeting consumer expectations.
CONSUMER SAFETY	X			Assessing products for health and safety impacts and complying with regulations to support safety of products and services during consumer use phase.
PACKAGING	X			Reducing the overall environmental impacts of packaging by monitoring and improving the materials used in packaging, the percentage of packaging made from recycled or renewable materials and the percentage that can be recycled, reused or composted.
SUPPLY CHAIN MANAGEMENT	X			Engaging with suppliers to improve environmental and social performance and management practices, while ensuring business continuity and increasing the diversity of suppliers.
EMISSIONS	X			Reducing total greenhouse gas and other emissions from operations and throughout the supply chain.
ENERGY	X			Reducing total energy use throughout operations and increasing the percentage of consumption that comes from renewable sources.
CLIMATE CHANGE		X		Evaluating impacts, risks and opportunities due to climate change that could cause changes in supply and demand for products, operations, revenue or expenditure, and helping customers address climate change impacts.
EFFLUENTS AND WASTE		X		Disposing properly of hazardous and non-hazardous waste through appropriate methods; seeking to minimize landfill use through alternative methods, such as reuse, recycling, composting, recovery and incineration; and responding appropriately to account for impacts of any significant spills.

- Product Stewardship and Safety
- Operations and Supply Chain
- Associate Engagement and Wellness
- Community Engagement
- Other

Continued next page

Materiality Results *Continued from previous page*

TOPIC	FOCUS AREA	MANAGEMENT	EMERGING	TOPIC DEFINITION
DIVERSITY AND EQUAL OPPORTUNITY		X		Promoting an inclusive environment and increasing diversity among all levels within the organization while ensuring equal treatment of employees and instilling a culture of non-discrimination.
TALENT ATTRACTION AND RETENTION	X			Providing competitive benefits and incentives to attract and retain employees.
LOCAL COMMUNITIES	X			Engaging with our communities through philanthropy and investment, evaluating the positive and negative impacts of operations and maintaining strong relationships.
TRUST AND REPUTATION		X		Maintaining the strong reputation of our company and brands along with our products and the products we market, while establishing principles of behavior and disclosing the values of the company to build trust between the company and consumers.
RESPONSIBLE CANNABIS			X	Promoting a socially and environmentally responsible and legitimate cannabis industry.
PUBLIC POLICY		X		Engaging with regulators, publicly disclosing a position on policy topics and influencing the production, enactment, execution and interpretation of legislation.

- Product Stewardship and Safety
- Operations and Supply Chain
- Associate Engagement and Wellness
- Community Engagement
- Other

The materiality assessment resulted in a rank-ordered list of more than 30 ESG topics, the top 15 of which are shown in the Materiality Results table. As the sustainability team reviewed the results, they saw that several topics showed significant overlap in theme and operational boundaries. The team worked with leaders to further group these topics into the areas of product stewardship and safety, operations and supply chain, associate health and safety and community engagement.

By reviewing how the material topics emerged in relative importance and potential impact between our internal and external stakeholders, the sustainability team was able to

further prioritize them. Some topics rose to the top as focus areas, while others required ongoing management. Several topics, such as water and health and safety, were not in the top 15 but emerged as ongoing commitments to embed within our focus areas. Finally, we identified a few topics for monitoring as they are still emerging in their significance for our company and its stakeholders.

As a result of this work, we established five key areas of focus to drive our sustainability strategy over the next five years. We are now in the process of creating a path for benchmarking, goal setting and continuous improvement around these focus areas.

FOCUS AREAS AND COMMITMENTS

PRODUCT STEWARDSHIP AND SAFETY

Continuing to earn the trust of our consumers by designing high-quality products that show our commitment to a sustainable future.

- Leverage sustainable design principles to optimize our existing product portfolio and drive new innovation
- Help protect the safety of consumers and our associates
- Execute packaging initiatives focused on material and waste reduction and increasing recycled content, reuse and recyclability

OPERATIONS AND SUPPLY CHAIN

Incorporating sustainability principles throughout our operations by striving for efficiency, using fewer resources and creating products that our consumers can trust.

- Develop and track sustainability goals in tandem with our suppliers in areas including emissions, waste and human rights
- Enhance our measuring capabilities to baseline and track our carbon footprint across operations and establish reduction targets in consideration of the risks associated with climate change
- Continue to protect our people through continuous investment in their safety across all of our enterprise

ASSOCIATE ENGAGEMENT AND WELLNESS

Fostering a healthy and inclusive workplace culture where all associates are engaged to grow and thrive.

- Cultivate an inclusive, supportive culture that empowers all associates to bring their whole selves to work every day
- Listen to our associates through leadership forums, surveys and focus groups to increase awareness of social challenges and the importance of inclusion and develop plans to deliver solutions
- Support associates and their families to attain their physical, financial and wellness best

COMMUNITY ENGAGEMENT

Giving back to the local community, caring for the environment and connecting current and future generations with gardens and greenspaces.

- Partner with local environmental groups and experts to combat nutrient pollution and protect access to a safe, abundant supply of water
- Empower our associates by giving them paid time off in order to volunteer in their local communities through youth empowerment and community enhancement initiatives

GOVERNANCE AND TRANSPARENCY

Focusing on ESG governance to provide enhanced transparency, support and accountability to our efforts across the company.

- Support ESG coordination and accountability across the organization
- Integrate ESG within support functions

NEXT STEPS

We have a track record of meeting and exceeding the goals we set as an organization. Driven by our purpose to GroMoreGood everywhere, we are implementing robust action plans in our areas of focus. Supported by the sustainability team, associates across our company will establish detailed baselines, targets and timeframes and move toward implementation. Our senior leadership continues to oversee this process and provides ongoing updates to our Board of Directors. Progress will be shared in future reports and on our website.



PRODUCTS

We have a long-established reputation of creating high-quality products that work to create gardens, lawns and landscapes that thrive. We design our products with our consumers in mind. We constantly engage with gardeners and growers to understand their needs, their lawn, garden and indoor growing habits and their emerging interests. Our consumers trust that our products are safe for their intended use in accordance with their labels, and we stay on the cutting edge of research into product safety.





\$40M
Innovation and
R&D investment

Investing in product development and R&D strengthens our position with retailers and builds trust and support from the consumer. Comprising more than 100 on-staff research scientists, specialists and engineers, as well as collaborations with leading academic institutions, our world-class R&D team is committed to providing innovative product solutions. In pursuit of that goal, we leverage scientific expertise from leading providers of natural and organic technologies, plant breeders and agricultural companies.

As a company with a culture focused on family, we design products that create a better life for ourselves, our families and our planet. Our portfolio includes products that control pests and disease in order to protect environmentally favorable plantings and landscape investments. We are committed to using high-quality solutions that are appropriate for use by families in the residential environment. In selecting ingredients, we prioritize safety and performance to meet the needs of our gardeners and growers. We are committed to supporting a scientifically based regulatory system, educating consumers through communications and product labels and innovating to seek better solutions.

We monitor all our active ingredients and look for ways to use the lowest active ingredient rate necessary while still maintaining the highest standards for product effectiveness. Our Packaging and Formulation teams drive new innovations that maximize sustainably sourced content, strive to eliminate unnecessary or problematic material and promote recovery, recycling and reuse. We explore new options to deliver our products to customers in ways that cut back on packaging and unnecessary waste and respond to our customers' needs.

RESEARCH & DEVELOPMENT

Research and development (R&D) and product innovation are the lifeblood of our company. We invest nearly \$40 million each year in research, product development and innovation. Our product innovation follows a robust product development process. Each stage of this process includes established criteria for biology research, formulations and packaging development, marketing analysis and rigorous testing before moving forward to the next stage. Product development teams also take into consideration our sustainability priorities related to formulation and packaging. Between each stage there are technical and business vetting processes to ensure that the product concept is viable and we are meeting our research practice standards.

As part of our sustainability strategy, a cross-functional team of R&D scientists, product developers and engineers has identified several priorities to integrate in the product development process.

Active ingredients. The R&D team conducts regular active ingredient reviews with an aim to balance priorities of safety, effectiveness and environmental impacts. We look for opportunities to introduce active ingredients that align with our standards for product design and safety. We also practice transparency by listing the active ingredients in our product portfolio, publishing a list of ingredients and their descriptions on our corporate website.

Material sourcing. When identifying raw materials, we look to increase the use of recycled, bio-based or sustainably sourced options. We also consider the risks and opportunities related to material sources.

1. IDEA



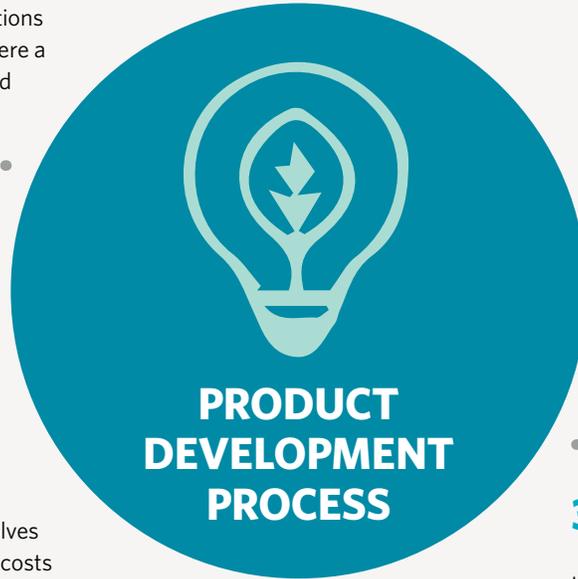
In this stage, the product development team, representing R&D, Marketing and others, engages in ideation around a new product. They seek to answer a myriad of questions including, "Is this a viable idea?" "Is there a market opportunity or need for it?" and "Is it worth exploring further?"



2. CONCEPT

In the concept stage, R&D scientists and engineers determine if the project idea is technically feasible. They seek to answer the questions, "Could this concept be achieved?" and "What resources are needed?"

These first two stages may last as long as a year.



4. DEVELOPMENT

The final and most rigorous stage involves developing a full understanding of the costs to produce the product. In this stage, we are developing and testing full prototypes, researching users' experiences and refining the design accordingly. This stage is where we develop labels in accordance with regulatory standards, test product claims and perform all indicated safety testing. The team is seeking to answer the question, "Is this product ready for market?" Only when the answer is a resounding "yes" does the new product make its way to store shelves.

The proof and development stages may take as long as two to three years, depending on the complexity and novelty of the product.

3. PROOF

In the proof stage, a product moves much closer to reality. Here, rough prototypes may be developed, and marketers begin to test consumer interest and attitudes. This stage also marks rigorous screening, testing and refining to determine how the product would perform in the real world. Product developers are seeking to answer the questions, "What will we prove?" "Can we accomplish it within a reasonable budget?" and "Can we develop the materials and manufacturing capacity needed?"



CRITERIA CONSIDERED DURING PRODUCT DEVELOPMENT PROCESS

TECHNICAL/SCIENTIFIC	MARKET OPPORTUNITY	RETURN ON INVESTMENT
BIOLOGY FORMULATION PACKAGING DURABLES REGULATORY SOURCING MANUFACTURING QUALITY	CONSUMER RESEARCH COMPETITIVE DIFFERENTIATION SALES CHANNELS LEGAL/INTELLECTUAL PROPERTY	PRODUCT FINANCIALS RESOURCES AND COMPLEXITY

Product design. We are introducing life cycle assessment tools to help evaluate sustainability opportunities and impacts while optimizing our existing products and spurring innovation in new product design.

Packaging sustainability. Throughout the product development process, we look for opportunities to maximize sustainably sourced content, eliminate unnecessary or problematic material and promote recovery, recycling and reuse.

Our company has a history of adapting technologies from other industries (like agriculture) for residential use by enhancing or adapting the formulation or application characteristics for the general consumer. As part of the process, we engage with consumers and analyze their experience to ensure products are applied at the right rate, the right time and to the right location while minimizing either misapplication or contact with the formula. We design and test our products to withstand real-world environments, such as heat, cold and sun exposure, while still performing to a high standard. Our packaging engineers design applicators to reduce the risks of misapplication and unintended contact with the product.

The framework and overall processes required to deliver flawless execution of a new product are outlined in our Good Research Practices (GRP) program. The program sets benchmarks to measure efficacy, product performance and claims development, while also setting critical standards to manage the potential risk of under- or over-application. At a minimum, all products comply with local, state and federal regulations and are thoroughly reviewed and vetted by our regulatory team.

Regulatory

Our Regulatory team provides rigorous, end-to-end oversight of the product development process. This team works to understand state and federal requirements, as well as international where applicable, from the start and ensure every product meets or exceeds their standards. Over the past decade, we have invested in continuous improvement by enhancing the separation of duties amongst the Regulatory team and adding multiple internal compliance monitoring steps and checkpoints. We also brought in a former U.S. Environmental Protection Agency Administrator to advise us on these improvements.

From the beginning of the regulatory process, we evaluate the raw materials that are inputs to our products to



determine whether they need to be registered. Next, an on-staff toxicologist reviews the formulations to determine what safety testing should be conducted and what label requirements may apply. Based on these evaluations, among others, the Regulatory team proposes text for labels to meet corresponding regulations and guide consumers on usage and any appropriate precautions. Once a product label is developed, the Regulatory team submits them to the applicable state and federal regulatory agencies for approval. We have strong document control protocols and multiple levels of review and cross-checking to help ensure our products remain in compliance and achieve proper registrations. It's only after this lengthy process that a new product is released to market.

FORMULATION

Our products are designed with environmental stewardship and consumer use in mind. We strive to optimize the priorities of efficacy, human health and the environment. We rely on the needs of the consumer and expertise of academic researchers to guide our product development and ensure we are using the latest scientific facts as we develop our products.

In selecting ingredients for our products, we consider the following:

- Efficacy
- Safety to humans
- Safety to animals
- Impact on the environment
- Interaction with other ingredients
- Interaction with the product packaging
- Use of the lowest active ingredient rate necessary for product effectiveness

Our investments in R&D, detailed in the section above, enable us to depend on rigorous science to inform our decisions when developing products. Our scientists are charged with seeking to improve product effectiveness while continuing to meet regulatory standards. Over the years, this approach has allowed us to actually reduce the amount of active ingredients in some of our products while still maintaining product effectiveness.



Our commitment to careful formulation, rigorous testing and comprehensive regulatory compliance means that a product may be in development for months or years before consumers see it on a store shelf. The average lifecycle of a product from idea to commercialization is typically two to three years. During the course of this development, more than 12 departments, including Procurement, Manufacturing, Quality, Sales, Creative and Finance, will play a role in helping R&D and Marketing to refine and improve the concept as well as assist in gathering the information necessary to bring the product to life. When a brand-new active ingredient or packaging solution must undergo development, it can take up to five years to reach commercialization. We adhere to the high standards of our GRP program in developing new products and will not compromise the consumer experience.

In our Hawthorne business, we recognize that growers have additional considerations regarding the performance and safety of our products. We understand our responsibility as the industry leader in indoor growing and hydroponic products, and that's why we're making bold investments in the future of the industry—more so than any other distributor in the business. In 2019, we broke ground on the world's first and largest purpose-built research and development facility dedicated to researching cannabis cultivation in Kelowna, British Columbia. The vision for the 50,000-square-foot facility is to allow scientists to optimize the entire Hawthorne product portfolio, from lighting to nutrients.

More gardeners today are looking for natural and organic ways to garden. In response to this demand, we've been evaluating natural and organic ingredients and researching methods to achieve our superior product results in new ways. In 2019, we introduced Ortho® GroundClear® Weed & Grass Killer, featuring the Organic Materials Review Institute (OMRI)-listed active ingredient ammonium nonanoate. This is a naturally occurring fatty acid found in a variety of plants and animals that only affects the plant tissue with which it comes in contact. More importantly, it gave consumers an additional choice in how they control weeds in their space.

MIRACLE-GRO® PERFORMANCE ORGANICS™ LINE

The market for organic products has grown exponentially in the past decade. At the same time, our research shows gardeners are increasingly unwilling to accept the tradeoff of a lower-performing product for natural and organic ingredients. We listened, and we rose to the challenge.

For several years, a team of nine R&D scientists dedicated itself to developing, testing and refining organic soils and plant foods that could perform on par with their conventional counterparts. Over that period of time, the team fingerprinted and qualified more than 40 organic and natural raw materials. They ran 20 growth trials, grew approximately 7,500 plants and harvested more than 43,000 tomatoes.

Creating products that perform in a laboratory wasn't enough. At the same time, our procurement team worked to identify, qualify and secure the necessary organic raw materials at growing media manufacturing sites across North America. This required working with a vast network of local suppliers, helping them meet our stringent nutrient specifications. Our scientists and manufacturing teams also worked to ensure that, regardless of where it was sourced and produced, each bag of product would perform to the same high standards.

In 2019, that work culminated in the launch of Miracle-Gro® Performance Organics™. A full line of OMRI-listed plant foods, potting mixes and garden soils, it offers gardeners the performance they have always expected from us, with fully organic ingredients. Ingredient sources include green waste like tree and shrub trimmings, food waste, agricultural compost and forestry waste. While ingredients vary based on each region, our rigorous quality control process ensures a consistent nutrient blend and resulting performance.

How do they do it?

We are the nation's largest user of green waste and other forms of compost. Drawing on an extensive network of local suppliers across North America, we are always looking for more high-quality compost to recycle into beneficial products. On average, each bag of growing media is sourced, produced and used within a 120-mile radius.

So, how do we make sure every bag performs to the same high standard? As a member of our R&D Gardens team, Senior Research Scientist Dr. Tera Lewandowski applies her background in mycology and forestry to test raw materials and finished goods and work with suppliers and our manufacturing teams to perfect our growing media "recipe." "I love finding a new use for waste," said Dr. Lewandowski. "We are always looking for new ways to use compost, and I think that's pretty great."

As the Performance Organics™ project got underway, the R&D Gardens team developed a process for screening and qualifying local raw material suppliers. Suppliers provide these samples to R&D, where Dr. Lewandowski and her team use them to run tomato growth trials. Based on results, the team works with each supplier to make adjustments, creating a recipe to ensure the end result is uniformly high-performing and contains just the right balance of carbon and nitrogen.

On an ongoing basis, our scientists also test these materials for consistency and troubleshoot problems with suppliers and the growing media manufacturing teams. In addition, they apply rigorous testing to our finished goods, pulling bags of products from manufacturing sites to test for quality and consistency within and across sites. They provide hands-on help to our operators to add or reduce nutrients, adjust mixing processes and work towards a recipe that turns out right, every time.



7,500 PLANTS

Grown to develop,
test and refine
organic soils



PACKAGING

Packaging is critical to how we deliver our products. It must be durable enough to ensure we can deliver on our high product safety and quality standards while withstanding exposure to a wide range of indoor and outdoor environments. Packaging is also critical to the consumer's product experience. We work hard to ensure every product is clearly labeled, easy to use and designed to prevent misapplication or off-target contact. That's why our team of specialized packaging engineers apply rigorous standardized methods to design, test and qualify our packaging and application devices.

Beyond product safety, quality and user experience, we also prioritize environmental considerations when we design packaging. We recognize that many of our customers, consumers and other stakeholders are concerned about the environmental impact of plastic packaging. We use plastic because of its durability, which is especially critical to help avoid spills caused by ripped bags or broken bottles, whether on the retail shelf or in a consumer's home. However, we are highly focused on reducing material usage, increasing recycled content and supporting increased recycling rates.

To reduce the environmental impact of packaging, we have delivered and continue to drive multiple sustainable packaging initiatives, including:

- **REDESIGNING PACKAGING.** We've completed numerous package redesign initiatives resulting in a significant material reduction, and we continue exploring additional opportunities, such as shipping more products in concentrated formats. We continue to expand package refill offerings for consumers, which also reduces the amount of packaging produced.
- **INCREASING RECYCLED CONTENT.** We've increased the amount of recycled material in our packaging, particularly plastics, thereby reducing virgin plastic use.

- **SUPPORTING RECYCLABILITY.** We're increasing the amount of our packaging which is recyclable, reusable or compostable. One of the keys to success in this area will be the implementation of the "How2Recycle" standardized communication graphics onto product packaging to help our consumers understand and take action.
- **SOURCING SUSTAINABLE WOOD FIBER.** The majority of our paper-based packaging is certified as sustainably sourced by the Sustainable Forestry Initiative (SFI) or Forest Stewardship Council (FSC), and we are striving to reach a level of 100%.

We continue to prioritize consumer and environmental safety as we explore changes to product packaging and support new product innovation. We are focused on supporting major market trends, such as the shift toward direct-to-consumer delivery, while doing our part to address some of the unique sustainability challenges it brings.

We are highly engaged with our retail customers, suppliers and industry trade group partners to tackle the challenges of sustainable packaging, focusing on the issues described above. Only through such collaborative partnerships will we be able to find lasting solutions to fundamental challenges such as recycling infrastructure gaps and landfill diversion. We pursue the vision of a circular economy where value can be extracted from post-consumer packaging material and utilized again for the same or another use.

WATER

Water is essential for growing healthy plants, and we embrace our responsibility to help gardeners take care of this precious resource. That's why we design our products to help consumers use less water and protect against runoff during use. We have made changes to our product formulation, developed improved application devices and partnered with environmental groups to inform our approach. Many of our soil products contain coconut coir, a super-absorbent natural fiber that enables our products to hold onto water and make it available to plants when they need it. We have developed the Gro™ Watering Solutions product line which provides gardeners with a smarter way to water, without overdoing it. Spreaders with Edgeguard® and liquid products with precision wand applicators are not only easy to use but designed to keep the product where it belongs and out of waterways.



We also design our products with water resources in mind. Concentrates that can be dispensed safely at the point of use are an emerging area of focus in product design. This has the potential for lowering our water use in manufacturing and reducing shipping-related emissions due to lighter-weight products. As we make decisions to reduce the impacts of our products, we carefully balance the need to reduce water and the need to maintain a high level of consumer safety. We engage with our customers and consumers to find innovative ways to deliver our products in a safe but less impactful way.

We share gardeners' concerns about water quality. Harmful algal blooms, fed by excess nutrients like nitrogen and phosphorus, continue to threaten our waterways. More than a decade ago, we challenged ourselves to create a high-performance lawn fertilizer product that did not include phosphorus. The resulting formulation change led to removal of more than 10,000 metric tons of phosphorus from all of our lawn maintenance fertilizers. Today, we continue developing new slow-release nitrogen technologies and refining product formulations to meet the needs of sensitive ecosystems.

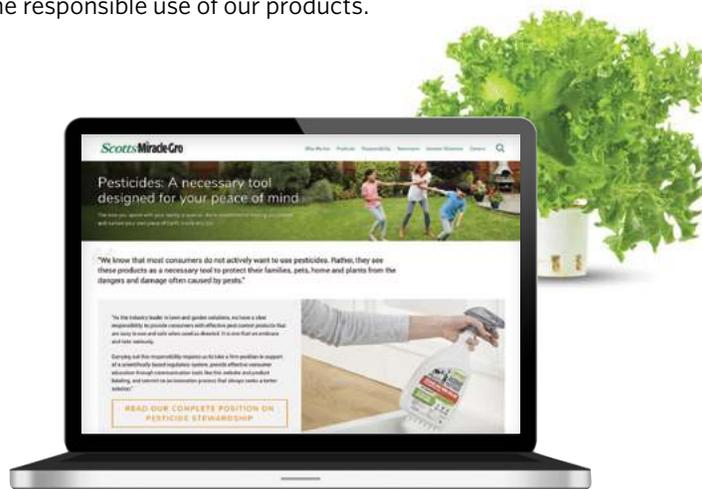
Through our Hawthorne business, we innovate the indoor growing and hydroponic product landscape. Hydroponic growing has the ability to reduce water use in growing plants, as well as require less fertilizer and space inputs. Hydroponic growing also enables food to be grown closer to the source, potentially cutting down on transport distance, cost and emissions.

CONSUMER EDUCATION

As a leading lawn and garden solutions company, we provide consumers with effective pest control products that are easy to use and safe when used as directed. We rigorously research ingredients and test our products to ensure they meet regulations for use by people, around pets and in the environment. We communicate our processes and facts to our consumers through our website, technical bulletins, product labels and marketing campaigns. We know our consumers value accurate and current information on our products and active ingredients, and we dedicate space on our website to sharing this information with them.

All of our products, including weed and pest controls, include clear directions for use, and where indicated, precautionary information and first aid instructions on the product label. Our brand websites provide consumers with instructions on use, disposal and recycling; how to protect the environment, people and pets while using products; and detailed product labels.

Partnering with outside experts is a key to our success in developing effective, easy-to-use consumer products. We regularly extend the expertise of our on-staff R&D team by collaborating with universities and reputable research centers to test and evaluate our products. We also engage with non-profit organizations to create solutions for the responsible use of our products.





In 2019 Ortho participated in the Pollinator Palooza, organized by the Franklin Park Conservatory. Team members shared educational information and engaged children in hands-on activities reinforcing the importance of protecting honey bees and native pollinators.

One example of our engagement for consumer education is related to pollinator protection. We recognize that pollinators, like bees and butterflies, are in need of more habitat, and we have a role to play in protecting them. By helping consumers create pollinator-friendly spaces in their own backyards, and educating them on how to use pest control products responsibly, we can help these vital creatures flourish. We also continually evaluate our active ingredients. In 2016, that led the Ortho® brand to announce its decision to remove neonicotinoids from its outdoor garden control products by 2021. By 2019, the brand was no longer producing any of these products with neonics, a full two years ahead of schedule.

We also go beyond formulation changes to help gardeners protect pollinators while using our products. The Bee Responsible program, which rolled out in retail stores nationwide in 2019, gives consumers clear, concise tips to follow in using Ortho® products responsibly. Signage on displays and bottles share the following guidance, developed in collaboration with the Pollinator Stewardship Council:

- Plant pollinator-attractive plants
- Always use products as directed
- Spray on foliage to avoid blooms
- Spray when air is calm to avoid drift
- Apply at dusk and dawn when bees are less active
- Do NOT spray when bees are visiting the treated area

This education campaign helps consumers to apply products in a way that reduces impact on pollinators and ensures our products are used in a targeted way, in only the quantities necessary.

**PROTECT POLLINATORS:
BEE RESPONSIBLE**



WHAT YOU CAN DO TO PROTECT
HONEY BEES & NATIVE POLLINATORS

Responsible Insect Control Tips

 Plant pollinator-attractive plants	 Always use products as directed	 Spray on foliage to avoid blooms
 Spray when air is calm to avoid drift	 Apply at dusk and dawn when bees are less active	 Do NOT spray when bees are visiting the treated area

Visit pollinatorstewardship.org or Ortho.com to learn more. 

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National retail store initiative, The Bee Responsible program, gave consumers concise tips on how to use Ortho® products.

OPERATIONS AND SUPPLY CHAIN

We operate a world-class supply chain, from purchasing of raw materials through manufacturing and distribution of finished goods. We are committed to doing the right thing, operating our company in alignment with our values and positively impacting the communities where we operate. We incorporate sustainability principles into all aspects of our operations by striving for efficiency, using fewer resources and creating products that our consumers can trust.

We manage our operational impacts through our robust Environmental Health and Safety (EHS) management system. Our EHS software system helps us schedule compliance activities, track key EHS indicators and report and investigate incidents. Our EHS and Legal teams maintain an EHS Audit Program to help ensure our operations meet environmental, health and safety regulations and align with the standards we set for ourselves. Quarterly internal reviews and annual third-party audits help us keep an eye toward identifying opportunities for continuous improvement and/or gaps in our performance that we can quickly correct. By tracking our metrics, we're able to drive improvements in areas that matter to us as a business, including waste, water, energy and health and safety.

WE RECOGNIZE THAT WE HAVE THE ABILITY TO INFLUENCE HOW OUR SUPPLIERS AND PARTNERS OPERATE THEIR BUSINESSES, AND WE MAKE EVERY ATTEMPT TO WORK WITH THEM TO CREATE POSITIVE OUTCOMES. THROUGH OUR CODE OF BUSINESS CONDUCT AND ETHICS, WE SET EXPECTATIONS FOR HOW WE EXPECT OUR PARTNERS TO BEHAVE.



HEALTH AND SAFETY

We remain first and foremost committed to the safety of our associates. We have numerous health and safety programs in place to help protect our team members. Our Environmental Health and Safety (EHS) management system is one tool that we use to promote the health and safety of our employees. We have a behavior-based safety program, where our associates can submit concerns over unsafe conditions or

share feedback when they observe unsafe work behaviors. This feedback supplements our quarterly audit process and enables us to stay on top of safety issues in real time.

We are focused on tracking and improving the industrial hygiene at our plants. This includes identifying opportunities to reduce workplace hazards and potential exposures in the work environment per Occupational Safety and Health Administration (OSHA) standards. The Centennial plant in Vancouver, Washington, which opened in 2018, provides a cool, well-ventilated working environment filled with natural light that associates report contributes positively to their well-being. In 2020, we are embarking on a multi-year capital improvement project at our largest manufacturing facility in Marysville, Ohio. Upgrades made will support our company as it continues to grow while also providing for the health and safety of our frontline associates.

Health and Safety 2019*	
Type	Input
Number of Lost Time Incidents	38
Total Number of Recordable Injuries	120
Total Number of Injuries	591
Total Number of Fatalities	0
Total Incident Rate	2.2
Total Lost Time Rate	0.6
Total Injury Rate	1.4

*Organization-wide including Hawthorne and corporate offices

WASTE

ScottsMiracle-Gro is committed to eliminating unnecessary waste from our operations. We also look beyond our business and innovate to develop solutions to waste streams across North America.

Within our own operations, we work to reduce the amount of waste we send to landfills. We aim to reduce our materials use, recycle or reuse materials as much as possible. Our manufacturing plants have implemented a range of recycling initiatives, including wooden pallets, cardboard and plastic, and communicated with our associates how to reduce their impacts. At our headquarters in Marysville, Ohio, we've developed a successful food waste composting program, which has, in the past five years, diverted more than 118 tons of waste from landfills.

Our facilities generated approximately 29,440 short tons of non-hazardous waste in fiscal year 2019. This was largely from pallets, plastic films and cardboard. The loss of once-reliable markets for certain recycling continues to affect our operations, forcing many of our sites to send more material to landfills while searching for alternative outlets. Despite this significant challenge, we were able to divert 17,216 tons of waste from landfills last year, achieving an overall diversion rate of 58% across all of our core business North America operations.

Reducing packaging impacts — while prioritizing consumer safety and product quality — is an area of continued interest for Scotts, our customers and consumers. You can learn more about our packaging waste reduction efforts in the products section.

WE ARE WORKING TOWARD FINDING IMPROVED WAYS TO MEASURE AND MANAGE OUR WASTE AND BETTER UNDERSTAND HOW WE CAN RECYCLE, REUSE OR REDUCE OUR WASTE STREAMS IN EACH OF THE UNIQUE MANUFACTURING ENVIRONMENTS ACROSS OUR COMPANY.



GIVING WASTE A NEW LIFE, LOCALLY

We are confident that our operations can reduce environmental impacts, even outside our business. ScottsMiracle-Gro is the leading recycler of compost in North America. This includes green waste, like grass and tree trimmings, and waste from commercial landscaping, tree cultivation and agriculture. Despite their value, these waste streams often end up in landfills. Wherever possible, we redirect grass and tree clippings, bark fines, chicken litter, food waste and other items into our products. Instead of taking up valuable landfill space and contributing to methane emissions, they re-enter the growing cycle as soils, amendments and mulches.

Not only does our company keep roughly five billion pounds of green waste out of landfills each year, but we do it locally. Over the past seven years, our growing media procurement team has developed a network of hundreds of local suppliers across North America. This network, made up of many small and medium-sized businesses, provides the raw ingredients for our growing media products. This “growing local” strategy reduces the costs and emissions associated with shipping heavy organic materials over long distances and helps ensure we develop high-quality product blends that meet the needs of each area. Because we operate 38 growing media facilities across North America, a bag of our soil is sourced, produced and used, on average, within a 120-mile radius.

Hawthorne’s Centennial manufacturing facility in Vancouver, Washington, manufactures plastic trays and air filters for use in indoor growing. In 2019, Centennial introduced a new process for recycling plastic trimmings. Each tray manufactured has about 3 inches of waste trimming. Instead of discarding them, workers began saving the trimmings and passing them on to a local business. This business grinds them down into pellets that are then recycled into new trays.

We produce a small amount of hazardous waste as a result of some of our operations. We comply with laws in the United States and work with third-party operators to transport over land and dispose of this waste. In 2019, we produced approximately 1,945 short tons of hazardous waste across our core business.

2019 Waste (short tons)	
Total Waste Generated	31,385.1
Waste to Landfill*	12,223.6
Waste Diverted from Landfills	17,216.1
Hazardous Waste Generated	1,945.4

*In FY19, 67% of sites reported waste-to-landfill data.

WATER

Water is an important resource for us and our customers. As a responsible steward, we explore ways to reduce the amount of water we use in manufacturing and reduce our water-related impacts to communities. In 2019, we consumed approximately 17,530 megaliters of water in our operations. About 92% of our water consumption comes from municipal water, with the remaining 8% from well water. We do not discharge untreated wastewater into nearby waterways.

Our manufacturing processes generate wastewater. About 90% of this water use occurs at two plants. We’re able to focus our water stewardship efforts at these plants, where we have developed successful programs to reduce wastewater. For example, we recycle water in our manufacturing processes as many times as possible. Because the water used in fertilizer production at our Marysville manufacturing plant is nutrient-rich, we seek ways to beneficially reuse this water once we are no longer able to use it in our manufacturing process. We created a partnership with a local farmer to apply this nutrient-rich

water on his crops. Plant leaders work with the farmer to ensure nutrients are applied at the right time, place and amount in keeping with agricultural best practices. Recently, we also helped the farmer construct a purpose-built storage tank for the nutrient water so he can receive and store it safely even at times of year when crops are not active. This is just one way we live out our sustainability values by contributing to a more circular economy where nothing is wasted. Last year, our facilities generated 1.72 megaliters of wastewater, and we used a third party to remove and treat this water.

Protecting the waterways around our Marysville plant continues to be a top priority for our company. That’s why we agreed in 2019 to participate in an advisory committee with American Farmland Trust (AFT) for its Upper Scioto Watershed Project. This project aims to reduce runoff and protect surface waters in this critical watershed. The Upper Scioto is situated in one of the Midwest’s most fertile farmlands, which today is one of the biggest nutrient contributors to the Ohio River. Our company is actively working with the AFT and other area stakeholders to support the protection of this vital watershed, both now and for future generations.

We recognize lawn and garden products can require water usage, and we innovate to create products that help consumers conserve water. For more information on how we design products for responsible use of water resources, see the Products section of this report.

2019 Water Use (megaliters)	
Purchased Water*	16,090.5
Well Water**	1,439.3
Total Water Withdrawals	17,529.8
Water Withdrawal Intensity (megaliters per \$ million of sales)	7.1
Wastewater Discharged***	1.7
Water Recycled and Reused****	5.0

*In FY19, 44% of sites reported purchased water data.

**In FY19, 49% of sites reported well water data.

***Covers data from Marysville and Ft. Madison Plants.

****Covers data from Marysville plant.



ENERGY AND EMISSIONS

We work to reduce the energy impact of our operations in order to reduce our greenhouse gas emissions (GHG). We carefully track and monitor energy use and emissions from around our business. Our main energy use comes from electricity and natural gas use in our operations and fleet fuel for our sales team. Emissions from our products are not a significant source of emissions for our business; rather, many of our products are used to grow plants, which are effective at removing carbon from the atmosphere. Our consumers expect us to help them reduce their emissions. We are looking into ways to reduce the impact of our energy use through initiatives such as efficiency projects and hybrid fleet conversion.

Capturing our energy footprint accurately is important, and we know we have more work to do when it comes to capturing the full energy impacts of our business. We are reporting our available 2019 data and continuing to explore ways to better quantify our greenhouse gas emissions so that we can better track our performance and target further reductions in the future.

Our Hawthorne business is one of the largest producers of horticulture lights in the world. While these products do not directly impact our company's emissions or energy use, we recognize that some of these lights, particularly those that use older technology, use energy intensively to grow plants. This impacts the emissions of our consumers. We make all attempts to produce lights that are as energy efficient as possible for the end users. To that end, in early 2020 Hawthorne introduced the Gavita 1700e, a highly efficient LED light for use in indoor growing systems. This product is designed to make a sustainable approach to cultivation more accessible by reducing upfront and ongoing costs.

GHG Emissions (MT CO ₂ e)	2019
Scope 1 (CO ₂ e)	75,460.1
Scope 2 (CO ₂ e)	48,880.2
GHG Intensity (CO ₂ e per \$ million of net sales)	50.0

Energy Use (GJ)	2019
Total Energy Use	1,637,708.6
Energy Intensity (GJ per \$million of net sales)	659.1

Air Emissions (mmcf)	2019
NO _x	12.3
SO _x	0.1
Particulate Matter	0.9

"The GHG Protocol Corporate Standard classifies a company's GHG emissions into three 'scopes'. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy."
 – Greenhouse Gas Protocol

SUPPLIERS

We expect our supplier partners to uphold our values. We work to mitigate risk within our supply chain by setting ethics, health, safety and quality standards for our suppliers, reducing our dependence on single suppliers and evaluating risk across spend categories. We engage our suppliers annually through our supplier conference, where we share best practices and communicate our expectations.

Our Supplier Relations Policy provides guidance for our associates in upholding the appropriate standards of business ethics, professional courtesy and competence in all dealings with our suppliers. This policy directs our associates in procurement roles to provide equal opportunity for all capable suppliers, including Minority Business Enterprises.



From raw material source to production and point of purchase, our growing media products travel just 120 miles on average.

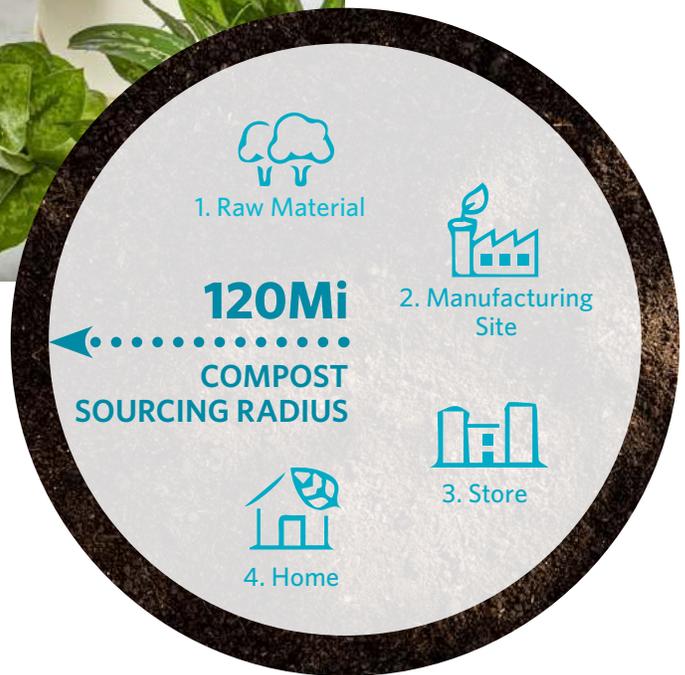
In addition to communicating our Code of Business Conduct and Ethics to our suppliers, we are rolling out enhanced standards around environmental stewardship, emissions and human rights to all of our suppliers in fiscal year 2021.

Through the Sustainable Suppliers Program, we will invite our most significant suppliers to partner with us in increasing transparency and setting shared goals in these topic areas. We will prioritize which suppliers to engage and create a tiered program where they can achieve higher levels of recognition as they progress in making more commitments and demonstrating results. We recognize many of our suppliers are actively engaged with sustainability initiatives now, and through the Sustainable Suppliers Program, we can amplify their efforts and increase our joint impact.

In 2019, we established a new purchasing group to integrate Hawthorne into our core business processes, creating a more streamlined supply chain approach that covers our whole business. Through this improvement, this team was able to drive out \$15 million in costs since last year.

RAW MATERIAL SOURCING

We source our raw materials on a global basis. The materials we source include urea and other fertilizer inputs, resins, sphagnum peat, coir, perlite, bark and grass seed. Where possible, we source growing media inputs within 120 miles of our manufacturing sites. Regardless of where materials are coming from, we make every effort to source them sustainably, both socially and environmentally. One example of this commitment is our membership in the Canadian Sphagnum Peat Moss Association (CSPMA). The CSPMA is devoted to promoting the sustainable management of Canadian peatlands and the industry. Our peat bog sites in



Quebec and New Brunswick are Veriflora certified. This is an industry standard for the Responsible Management of Peatlands. The standards require the responsible development, harvesting and rehabilitation of sites used for peat. In addition, Scotts Canada funds multiple collaborative research projects with universities throughout Canada to improve our understanding of the impacts of peat use and best practices for rehabilitation.

Local Procurement

Local sourcing is an important aspect of our supply chain program. Especially for raw materials, we make every effort to source as locally as possible, both to sustain local economies and to ensure product traceability. For our growing media business, we typically source materials for compost and green waste products from within 120 miles of the plant. You can learn more about our local procurement efforts in the products section of this report.

COMMUNITIES

We're clear about our purpose to GroMoreGood everywhere. Nowhere is this more evident than in the communities where we live and work. For many years, we have invested through planting gardens, volunteering our time and engaging with local stakeholders on issues of importance. We also partner with non-profit organizations to improve the environment, expand access to gardens and greenspaces and empower young people. Over the past 10 years, these commitments have resulted in the creation of more than 1,000 gardens and greenspaces in communities across North America. And as we look toward the future, we are continuing this commitment to GroMoreGood in our communities by connecting 10 million children to the benefits of gardens and greenspaces by the end of 2023.





FOUNDATION COMMITMENTS

We focus our philanthropic efforts on challenges where we can have the most impact as a company—improving and protecting the environment, expanding community access to gardens and greenspace and empowering youth, especially in underserved communities. These commitments complement our ongoing ESG strategy in the areas of environmental and water quality issues and local community engagement.

ENVIRONMENTAL IMPROVEMENT

In keeping with our commitment to care for the planet, we've put substantial processes in place to foster an internal dialogue regarding environmental stewardship. This commitment has resulted in multiple actions and investments over the years, including changes in some of our product formulations, the introduction of more water-efficient products and increased consumer education on safe and appropriate use of our products. The Scotts Miracle-Gro Foundation has partnered with environmental groups across the U.S. and experts to preserve Americans' access to a safe, abundant supply of water and protect pollinators.

Safe and Accessible Water

Nutrient pollution, caused by excess amounts of phosphorus and nitrogen in freshwater, is one of the most critical threats to water quality today. Excess nutrients in water contribute to algal blooms that kill aquatic life, impair drinking water and can impact human health. That's why our company and foundation formed a national network of environmental organizations to tackle this issue head-on. With a combined reach of 142 million people, these organizations are at the forefront of change by driving scientific innovation, protecting vital waterways and advocating for all Americans' right to safe and accessible water. In 2019, network members directly served nearly 290,000 people through their water programs and protected or restored more than 4 million square feet of wetland and shoreline habitat.

Inspiring Innovation

Through 2019, our foundation was the presenting sponsor for the George Barley Water Prize, a \$10 million global competition to discover a solution for removing phosphorus—a leading cause of harmful algal blooms—from freshwater. Over the course of the competition's three stages, more than 120 scientist teams participated, building their innovations from proof of concept through real-world testing environments.



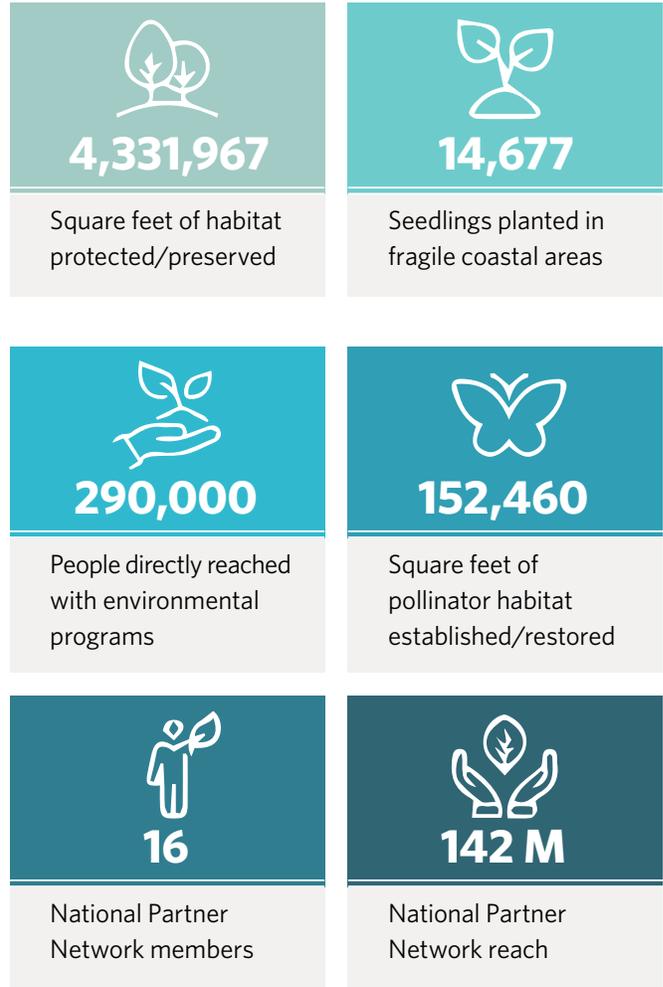
Another focus area of our foundation is protecting pollinators, like bees and butterflies, and the habitats they need to thrive. We dedicate grant funding and pollinator education resources to support pollinator gardens across North America. In 2017, we began partnering with the National Recreation and Park Association (NRPA) to launch the Parks for Pollinators program. The program expands pollinator habitats in local parks and connects people to resources to better understand pollinators and how to protect them. In 2019, this program expanded pollinator habitat by 152,460 square feet and reached nearly 49,000 people online with pollinator messages. We also support the Pollinator Stewardship Council (PSC), a leading pollinator advocacy organization, in its mission to protect pollinators. The PSC takes an active role in educating the public on the role of pollinators in our food system and everyday activities that protect pollinators. Through this partnership, we launched the Bee Responsible program in stores nationally in the spring of 2019.

BioBlitz Activities

In 2019, we partnered with the NRPA to organize the first Parks for Pollinators BioBlitz. BioBlitz events engage ordinary people in observing and documenting the animal or plant species in a certain area. This adds to the scientific knowledge of a place and helps scientists and land managers plan for the future. NRPA invited its 60,000 local park districts across the U.S. to participate in hosting BioBlitz events throughout the month of June. As a result, 43 park districts organized events in 21 states, capturing roughly 5,000 individual observations and 1,500 unique pollinator insects and animals.



Environmental Impact



COMMUNITY ENHANCEMENT

Now more than ever, children and families across the country need the positive experiences that gardening provides. Gardening helps children understand where their food comes from, engages them in hands-on learning about the natural world and provides therapeutic and physical activity benefits. That's why we've been committed to connecting more young people with gardens and greenspaces for decades.

In 2011, we set out to establish 1,000 gardens and greenspaces all across North America through the GRO1000 program. By 2018, through an array of partnerships with community-based and national organizations, we achieved that goal. We celebrated this shared accomplishment in 2018 with a capstone project at the Franklin Park Conservatory and Botanical Gardens — The Scotts Miracle-Gro Foundation Children’s Garden.

Our 10 Million Kids Commitment

We aim to connect 10 million young people with the benefits of gardens and greenspaces by 2023. We know we can’t do this alone; a range of partnerships and programs bring this commitment to life.

“To track our growing efforts, we purchased a scale and engaged our young scientists in the process of harvesting, weighing and recording data. Thanks to your support, our final harvest total for the 2019 growing season is 48.75 pounds. Yes, almost 50 pounds of kid-grown food right here in Brooklyn! Our young scientists are very proud of their success and we’re already looking forward to the next growing season.”

– Carmen Castillo-Barrett, Kiddie Science

	
390	2,142,382
Gardens supported	Youth reached
1,500,000	94
Healthy meals provided	Pollinator gardens or habitats
35	14,742
Hydroponic gardens established	Youth participating in hydroponic gardens



GroMoreGood Garden Grant: PEACE Inc.

District Market Manager Tom Wilhelm shared a first-person perspective on giving back to his local community through a GroMoreGood Garden Grant

“Last Spring, I had the opportunity to partner with PEACE Inc. on a GroMoreGood Garden Grant. PEACE is a Head Start preschool system for underprivileged youth in the Greater Syracuse, New York, area. The leadership within the preschool system won the grant with an objective of creating a community space where children could learn about sustainability and edible gardening. From the moment the grant was awarded, until our build day, staff and students alike were engaged and excited about the creation of the garden. I was able to bring in members of my team to assist with the planning and execution of our build day. On the day of the garden build, all members of the community and our Scotts team rallied around the project and were able to create a beautiful raised bed garden full of edible plants and herbs. My team loved the experience - I can specifically recall my colleague Adam Hoppel saying, ‘Giving back to our communities with the full support of our entire organization is the best part about working for Scotts.’ I share that same sentiment, and the excitement and happiness that we were able to bring to the PEACE families and staff is why it’s so important to give back to our communities.”

“GIVING BACK TO OUR COMMUNITIES WITH THE FULL SUPPORT OF OUR ENTIRE ORGANIZATION IS THE BEST PART ABOUT WORKING FOR SCOTTS.”

– Adam Hoppel, Scotts Associate

Hometown Grants

We consider the Central Ohio region to be our home. We support community gardens and public greenspaces in our own backyard through partnerships throughout the region. Last year, we provided cash grants and product donations to 109 local garden and greenspace projects reaching thousands of people with fresh food and opportunities to connect with the natural world and their neighbors.



UCO Industries

Based in our hometown of Marysville, Ohio, UCO Industries is a not-for-profit corporation providing employment to more than 75 adults with developmental disabilities through light assembly, re-packing and warehousing. Our corporate offices utilize these business services, but in 2019, we also partnered with UCO Industries in a different way through our Hometown Grants program.

With support from The Scotts Miracle-Gro Foundation's Union County Fund at the Union County Foundation, UCO Industries took on a beautification project at its worksite. With participation from 11 employees, the business planted, mulched and fertilized new flowerbeds and landscaping including wildflowers, junipers and grasses. The team added potted annuals and an herb container garden to its outdoor employee break area. They also created container fairy gardens for the children who attend programs with The Union County Board of Developmental Disabilities, which also holds office space in the same building.

Hydroponic Education in Schools

Many schools are establishing indoor and hydroponic gardens to complement their traditional outdoor garden programs. This allows schools in colder climates to grow plants in the winter months and integrate gardening into year-round learning. It is also an opportunity for students to learn about the growing field of hydroponics careers, many for the first time. In 2019, we formed two new partnerships to support hydroponic education in schools.

National Farm to School Network

The Scotts Miracle-Gro Foundation and The Hawthorne Gardening Company worked with the National Farm to School Network to launch a pilot project to integrate indoor growing systems into 15 elementary schools across the country. The project provides teachers with hydroponic growing devices, next-gen science standard-aligned hydroponic curriculum and support from gardening experts. It aims to spark a passion for gardening and increase hands-on science experiences for students who otherwise might not have had the opportunity.

No Kid Hungry

As part of our ongoing partnership to provide 1.5 million healthy meals to schoolchildren in need across the U.S. each year, The Scotts Miracle-Gro Foundation and No Kid Hungry have also teamed up to provide 20 schools per year with indoor growing systems. Schools are using these systems in a wide variety of contexts. Some installed growing units in their cafeterias where students can watch plants grow and taste the results in the salad bar offerings. Others have placed units in science classrooms and integrated them with science instruction.

Partnership: Major League Baseball

Creating access for youth to more outdoor play opportunities and greenspaces is a priority for Scotts, as part of the GroMoreGood initiative. We partner with Major League Baseball to sponsor the Scotts® Field Refurbishment Program. Grants are awarded to youth-focused community organizations to give kids modern, playable ball fields. Through the program, we have upgraded 23 youth-focused baseball and softball fields across the country, impacting more than 10,000 youth. In 2019, we received nearly 350 applications and selected 4 winning communities for field upgrades.

LGBTQ+A Gardens

In 2019, we launched a partnership with Kaleidoscope Youth Center (KYC) of Ohio. KYC Ohio provides drop-in programming, education and training and housing to LGBTQ+A youth in Central Ohio. We are providing funds and support for KYC Ohio to install an indoor growing system to provide fresh, healthy food to youth daily, and plant an outdoor memorial garden at its center in downtown Columbus. As our newly formed GroPride employee resource group gets up and running, we'll be looking for ways to expand this partnership and provide additional hands-on support in the form of volunteering and donations.

Scotts Canada Gro for Good

Community enhancement efforts come to life in Canada through the Gro for Good initiative, which provides grants to six projects annually. Successful projects demonstrate an ability to develop youth, address health and wellness needs, and/or enhance the environment while engaging the local community.

During a panel discussion at our headquarters, students in The Legacy Project talked to associates about discovering their passions and expanding their vision for the future. Through individualized coaching and experiential learning, students are empowered to unlock their full potential and build a roadmap toward their educational and career goals.

YOUTH EMPOWERMENT

We are committed to empowering the next generation of gardeners, growers and entrepreneurs in our communities. Through a number of initiatives, we help students reach their full potential and achieve social and economic mobility. We also work to engage youth through our gardening and environmental stewardship programs, to create a future generation of gardeners and environmental stewards.





The Legacy Project students participated in an interactive career exploration day at ScottsMiracle-Gro. From plant research and handling insects to ad campaign creation, students showed their “grit” as they faced new challenges and experiences facilitated by our associates.

The Legacy Project

The Scotts Miracle-Gro Foundation, in partnership with The Hagedorn Legacy Foundation, is helping Central Ohio area students unlock their inner potential to achieve their educational and vocational goals through The Legacy Project. The program’s mission is to empower youth through possibility thinking and innovative problem-solving, for greater personal freedom, social mobility and the betterment of their communities. Originating from the desire to help students grow their “grit”, that strength of character so vital to success, The Legacy Project is designed to help students become their best selves and succeed both in and after high school.

One-on-one, individualized coaching is central to the program, in addition to career exposure opportunities and experiential learning activities. Currently 39 students have been accepted into the program from Metro Early College High School and Whitehall Yearling High School. ScottsMiracle-Gro associates volunteer to mentor program participants, and the students benefit from visits to our Marysville, Ohio, campus to meet with leaders in Marketing, R&D, Finance and other departments.

“One of the Scotts scientists said she was always fascinated with bugs and how they affected the environment,” said Olivia Garrett, Whitehall Legacy student. “I didn’t know that having an interest in bugs could become a career. I can see myself doing that job someday.”

The program fosters the growth of key character traits while supporting developmental life skills and entrepreneurial thinking that enable students to achieve short-and long-term career objectives. These goals include college, technical/vocational education or entrepreneurial pathways to move into the workforce.

Students are provided with the following:

- Individualized coaching
- Tuition toward post-secondary education
- Educational and career goal identification and setting
- Opportunity to learn from entrepreneurs and develop their own entrepreneurial thinking skills
- Career exposure opportunities
- Community mentors to identify with and learn from

Program partners include The Ohio State University, Mayerson Academy, Global Financial Partners, the Metro Early College High School and Whitehall Yearling High School. This program is part of how ScottsMiracle-Gro builds future generations.

OTHER COMMUNITY INVESTMENTS

We support various other community initiatives and ways to give back to our communities.

We recognize the ambition in many communities to create beautiful, productive greenspaces. We support communities that may not have the resources to start community gardens by donating products to help them get started. In 2019, we donated in-kind products valued at more than \$192,000 to support 232 school and community gardens. In the Central Ohio area alone, this equated to roughly 956,000 pounds of soils, mulches and amendments, the equivalent of 18 semi-truck loads or the weight of 48 school buses.





\$2.2 MILLION

FUNDS FOR CANCER
RESEARCH RAISED BY
THE SCOTTMIRACLE-GRO
PELTONIA TEAM
SINCE 2010

Pelotonia

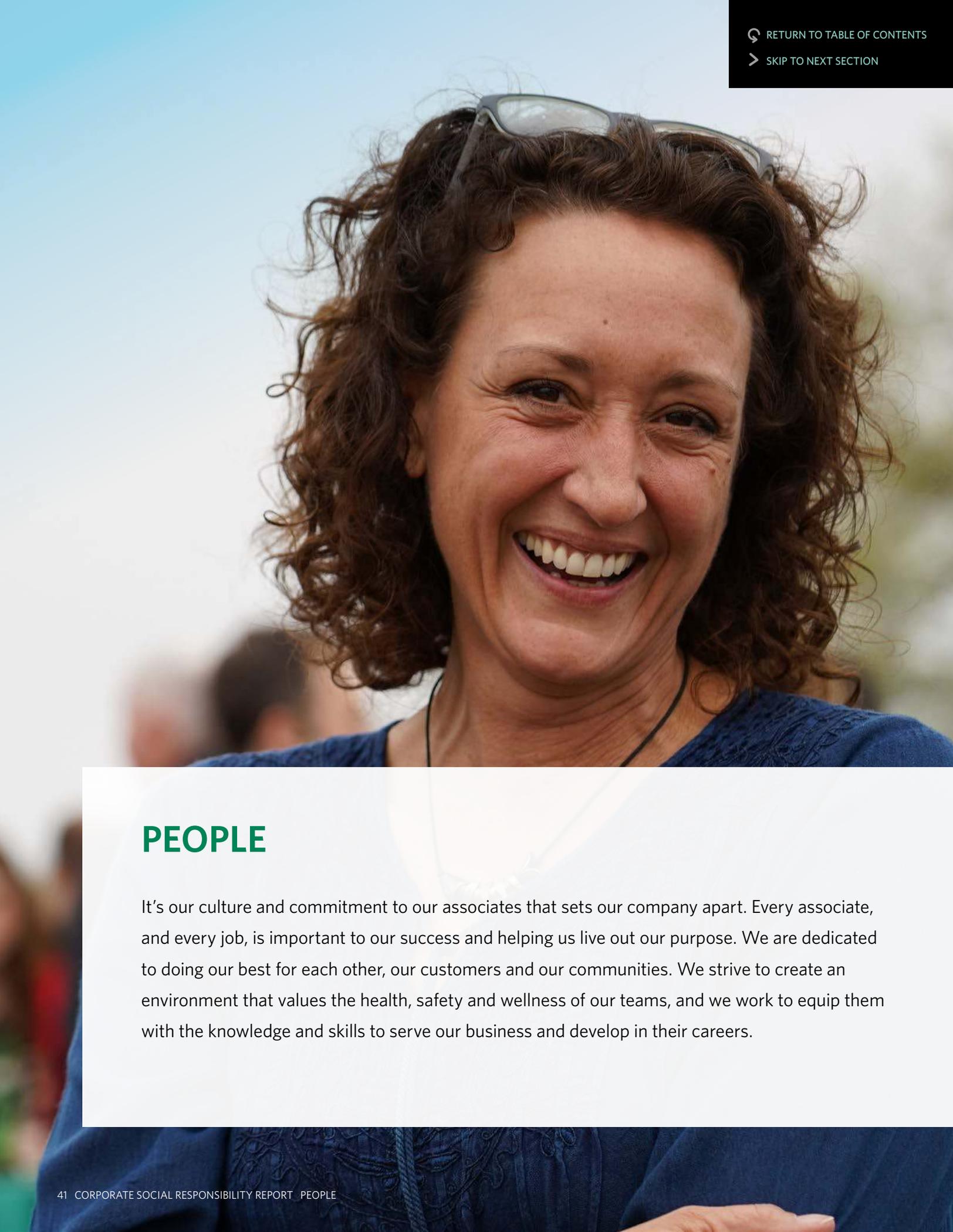
Every year, we support a team of associates who participate in Pelotonia. Pelotonia is an annual bicycling tour and non-profit organization based in Columbus, Ohio, that raises money for cancer research at The Ohio State University Comprehensive Cancer Center – Arthur G. James Cancer Hospital and Richard J. Solove Research Institute.

Associates can participate as riders, virtual riders or volunteers. ScottsMiracle-Gro helps riders reach their fundraising goals by matching a percentage of the funds raised. Our team has participated in Pelotonia since 2010 and has raised more than \$2.2 million. Our team has also grown from 18 to more than 100 members.

American Heart Association

ScottsMiracle-Gro has participated in the American Heart Association Central Ohio Heart Walk since 2008. Over that time, our team has raised more than \$1.7 million to fund cardiovascular disease and stroke research. Along with financial support, ScottsMiracle-Gro has engaged a total of 4,600+ plus associates, family and friends to participate in the Walk.





PEOPLE

It's our culture and commitment to our associates that sets our company apart. Every associate, and every job, is important to our success and helping us live out our purpose. We are dedicated to doing our best for each other, our customers and our communities. We strive to create an environment that values the health, safety and wellness of our teams, and we work to equip them with the knowledge and skills to serve our business and develop in their careers.

CULTURE

Our company remains headquartered in Marysville, Ohio, only five miles from where we were founded more than 150 years ago. In fact, generations of families have worked for us. We are successful because each person and part of our business works together to deliver our strategic priorities. Our supply chain, sales team, marketing experts, R&D scientists and strategic support functions all play a role in our success.

We provide many opportunities for our associates to grow and develop. Our associates are continuing to build careers at locations across everywhere we operate. Their responsibilities are vast, from manufacturing innovative solutions to creating R&D breakthroughs.

WHO WE ARE

ACCOUNTABLE

Own results. Learn from your mistakes. Stand up for your team. Improve continuously.

EMPOWERED

Give authority. Make decisions. Move forward with courage of conviction.

COLLABORATIVE

Involve others. Seek out additional knowledge and expertise. Work towards mutual solutions.

FLEXIBLE

React quickly and thoughtfully to changes. Adapt. Accept new challenges and assignments.



HOW WE GROW

INNOVATE

Challenge conventional thinking. Bring solutions. View change as an opportunity.

RESPECT DIVERSITY

Value the unique thoughts and opinions of others. Work together with mutual respect.

BE ENTREPRENEURIAL

Be committed. Take calculated risks.



BUSINESS ETHICS

We are guided by our cultural attributes that include being passionate, ethical and respectful. Ethical behavior is our most important cultural attribute. There is no personal or business goal worth compromising our integrity and commitment to ethics.

WE STRIVE TO WIN, BUT TO WIN
IN THE RIGHT WAY.

Our code of business conduct and ethics serves as a behavioral guide to help us conduct our business with honesty, integrity and professionalism. Our associates can share concerns, and are encouraged to do so, through multiple avenues, including speaking with their direct supervisor, calling the 24/7 Ethics and Compliance HelpLine or sending a confidential letter to the Audit Committee of our Board of Directors. We investigate every report of alleged misconduct and do not tolerate retaliation.

Everyone working for ScottsMiracle-Gro or on our behalf is expected to conduct business legally and ethically. We train our associates concerning our Anti-Bribery policy and expectations. Training is role-dependent and role-specific, and the amount of time is commensurate with the associate's role within the organization.

To our suppliers and business partners, we provide our expectations in writing concerning ethical business and human rights practices. We take steps to help ensure that our partners, suppliers, consultants and others who do business with us don't engage in corrupt practices on our behalf.

ASSOCIATE ENGAGEMENT

We are proud of our values-based culture. One way we build this culture is by empowering our associates to take an active role in participating in, and leading in, our business. Through associate resource groups, volunteer opportunities, and cross-functional projects that tackle some of our biggest business challenges, we create a workplace where everyone feels included as a part of our family.

We work to foster a safe, healthy and inclusive workplace culture where all associates are engaged to grow and thrive. This means cultivating a diverse and inclusive workplace that reflects the communities where we operate. To that end, our leadership is engaging in several initiatives to actively listen to associates and encourage dialogue on important topics. These include conducting engagement surveys and developing action plans in response, bringing in external thought leaders to speak on topics of importance and establishing a forum for associates to dialogue with leadership and grow together. Our leadership team also holds regular town hall meetings and other forums to share and receive information.

These efforts haven't gone unnoticed. Our company was recently recognized as a Wonderful Workplace for Columbus Young Professionals as well as a Top Place to Work by Columbus CEO. Associates who supported our nomination shared that they feel well-informed and believe that the company is going in the right direction; new ideas are encouraged; we operate by strong values; and the company has its associates' best interest in mind. They also noted our high focus on employee safety and well-being as a positive attribute.



We have had Associate Gardens on our Marysville, Ohio, campus in some form since the 1940s. Much of this harvest provides fresh food for local families experiencing hunger. Garden planting in 2020 took place with social distancing and other COVID-19 precautions. Here, Marysville plant associate Danny Barnes waters newly-planted vegetables on June 17, 2020.

Employee Resource Groups

Scotts Employee Resource Groups (ERGs) are voluntary, associate-led groups usually formed by people with a common affinity: gender, race, national origin, sexual orientation, military status or other attributes. Each ERG establishes a mission to positively impact the business. ERGs are open to anyone interested independent of race, national origin or other differing demographics.



Scotts Women's Network. Scotts Women's Network (SWN) is dedicated to maximizing women's career potential and leadership skills for the advancement of professional women and to strengthen our leadership diversity. SWN hosts regular professional development and networking events and connects its members to meaningful volunteer opportunities with organizations including Dress for Success and Meals on Wheels.



Scotts Black Employees Network. The Scotts Black Employees Network (SBEN) supports, develops, connects, empowers, recruits and retains talented Black, African, African American and Caribbean associates. SBEN sponsors a range of education and engagement programming for associates throughout the year. Recently SBEN has facilitated associate learning around issues of racial disparity and educated associates on African American history and contributions to society. Members give back to the community through activities like preparing blessing bags for the local YWCA shelter.



Scotts Veterans Network. Scotts Veterans Network (SVN) exists to recruit, develop, connect, empower and retain veterans through increased opportunities and resources to enhance their professional development and business success within the company. SVN is open to currently active military members, veterans, associates with family members or friends serving in the military and those who want to support them. Throughout the year, SVN supports a variety of causes such as the Heroes for Heroes 5k Mud Run and the nonprofit organization Canine Companions for Independence, which trains and places service dogs with veterans experiencing Post-Traumatic Stress Disorder (PTSD) and other disabilities. SVN also sponsors the Scotts Veterans Challenge Coin which is presented to associate veterans in honor of their service.



Scotts Young Professionals. Scotts Young Professionals (SYP) is dedicated to connecting, growing and guiding the next generation of leaders by fostering innovation, engagement and new ways of thinking at ScottsMiracle-Gro. SYP members organize regular networking events, participate in charity fundraisers and volunteer to mentor Central Ohio youth through The Legacy Project.



Scotts GroPride. Newly formed in 2020 and reflecting associate leadership and participation at sites in New York, Washington and Ohio, GroPride provides a forum for education and awareness supporting the professional growth of LGBTQ+A individuals. Shortly after it launched, GroPride sponsored a Pride Month article series for associates and hosted a virtual fundraiser to benefit the Kaleidoscope Youth Center.

DIVERSITY AND HUMAN RIGHTS

We value our associates' diversity from gender, race and sexuality to thoughts, interests, languages and beliefs. We encourage associates to leverage their varied life experiences to build a strong organization.

BY CREATING A DIVERSE TEAM, WE CAN
BETTER UNDERSTAND THE NEEDS AND
EXPERIENCES OF ALL OF OUR CONSUMERS
AND SERVE THE ENTIRE LAWN AND GARDEN
COMMUNITY ACROSS THE COUNTRY.

We are committed to upholding human rights and operating all aspects of our business in a responsible, honest and ethical manner. This holds true not only within our business, but throughout our sales and supply chain infrastructures. We engage with our customers and suppliers to ensure we respect all people with whom we come in contact as a business.

What do these commitments mean for us?

- Respect all individuals and commit to treating all of our associates with dignity and respect; expect the same of our suppliers and business partners.
- Strive to treat people fairly and prohibit discrimination.
- Do not tolerate intimidation or harassment.
- Have processes in place to ensure we meet legal requirements regarding voluntary employment and minimum working age.
- Comply with applicable local and national laws concerning freedom of association and collective bargaining. We respect our associates' rights to join, form, or not join a labor union. Where our associates are part of a legally recognized union, we bargain in good faith with the union representatives. Approximately 4% of our associate work force is covered by collective bargaining agreements.

TRAINING AND PROFESSIONAL DEVELOPMENT

Training is an important part of developing and retaining our associates and creating a culture of leadership within the company. All new associates across our offices and facilities receive onboarding and an orientation to *Where We Stand*, our code of business conduct and ethics. We require all of our associates to complete training concerning our ethical expectations and commitment to a workplace free of harassment and discrimination.

New hires also receive a training plan customized to their role and level within the organization that they complete over the first year of employment. As part of our standard onboarding program, associates take more than 10 hours of training covering our commitment to leadership, ethics and our values. We also train our associates on important environmental health and safety topics to help ensure we protect our people and our environment as we operate our business.

Development planning is critical to both the current and long-term success of our company. This ongoing process is meant to expand skills, increase knowledge and attain competence in specific behaviors to meet current performance expectations and prepare for potential future roles.

We provide a variety of learning resources to our associates, including:

- Business skills online courses
- Onsite classroom events
- Professional development events
- External training programs based on individual needs
- Business-led Enterprise Leader learning events
- Tuition assistance program

Performance management

The majority of learning happens on the job, through cross-functional team assignments, expanded roles and rotational assignments. We also utilize an interpersonal learning strategy by leveraging both external and internal networks and establishing mentor relationships and/or formal coaching assignments.

Continuous feedback supports our talent growth strategy by instilling trust, increasing transparency and developing enterprise leaders. Associates receive coaching and feedback based on their contribution toward annual goals in the areas of enterprise leadership, business projects and primary job responsibilities.

Our continuous listening and feedback program, *LetsChat!*, promotes ongoing dialogue at all levels of the organization. The proactive and recurring communication about enterprise leader behaviors, goals, development plans and growth areas, is designed to help associates learn, grow and deliver results. To support our goals, we focus on engagement, building stronger relationships, improved productivity, encouragement of new ideas and increased associate satisfaction and retention.

We end the year with a formal year-end performance management activity. Associates and managers complete a year-end summary and have a formal conversation. Both answer questions focused on accomplishments, opportunities, development and career aspirations and select an overall performance rating. This is followed by a conversation focused on successes, improvement areas, development plans and future goals.

We invest in our next generation of potential associates by providing internship opportunities across North America. Our mission is to cultivate the professional growth of students through a dynamic work environment. The program supports our business strategies by integrating interns into the organization and full-time pipeline while developing future enterprise leaders. Our goal is to convert rising seniors and graduate students into full-time roles upon their graduation.





LiveTotal Health
In Everything I Do



LIVETOTAL HEALTH

LiveTotal Health is a way of life for our associates and their families to attain their physical, financial and wellness best. By providing tools, resources, encouragement and support, we empower and motivate them to achieve success however they choose to define it.

In 2006, ScottsMiracle-Gro launched **LiveTotal Health**, a groundbreaking initiative to help associates and families optimize their physical, financial and personal health. Because of our strong stance against tobacco use, the program was initially viewed as controversial in some circles. However, **LiveTotal Health** transformed our Scotts culture. It's now a way of life emulated by other companies.

Caring for associates starts with benefit and compensation programs that value the contributions our associates make and offers physical, financial and personal health programs to associates and their families. We recognize financial stability is a critical component to our associates' overall well-being. In addition to competitive pay, ScottsMiracle-Gro offers an industry-leading 401(k) match and other performance-based financial programs for our associates who are not incentive-eligible.

Our physical health programs, like our medical and dental coverage, help our associates to feel their best both on the job and at home. Associates at our Marysville location and their families can take advantage of our wellness center, and we reimburse fitness club memberships for associates at other locations. Personal benefits like paid time off for volunteerism and programs like adoption assistance foster the culture of family and community we have at ScottsMiracle-Gro.

A newly launched cancer support program gives associates and their families access to resources to help them through the cancer experience as a patient or caregiver. This includes a dedicated, licensed social worker for personalized navigation and resource referrals, individualized one-on-one counseling and family sessions and educational material covering a broad range of cancer topics.

Here are some additional highlights of our various efforts:

- We shared some of our savings from the 2019 Tax Cuts and Jobs Act with associates by increasing our 401(k) company match. This commitment to helping associates save resulted in an additional \$1.7 million in Scotts' matching contributions going to associates' 401(k) accounts in 2019. Our 401(k) participation at the end of the year was 94% for our full-time associates.
- New annual 401(k) profit-sharing matching program. This program shares ScottsMiracle-Gro profits with associates and reflects our commitment to help them save for their future. If we reach or exceed profitability targets in a given year, certain U.S. associates not eligible for annual bonuses will receive a 401(k) profit-sharing matching contribution early the following year.
- Discount Stock Purchase Plan (DSPP) - We want to make ownership of ScottsMiracle-Gro stock a reality for as many of our associates as possible. We do this through our DSPP. The DSPP provides a unique opportunity to buy shares of ScottsMiracle-Gro stock for less than what it would cost on the open market.
- Expanded wellness reimbursement programs and resources outside of our Maryville headquarters. We expanded our wellness reimbursement programs, giving more flexibility and support to associates to achieve their physical goals regardless of where they live.

IMPROVING OUR COMMUNITIES

Green Team

Our Green Team's mission is to inspire and empower our associates to grow a greener future through education and opportunities to be part of the solution. Founded more than a decade ago, this dedicated group of individuals champions sustainable practices and programs across the company. With more than 40 active members representing Corporate, R&D, and plant operations at our Marysville campus, the Green Team has been instrumental in supporting many environmental initiatives. These include promoting the onsite food composting program, educating associates on sustainability topics and working with Facilities to implement several environmentally friendly projects in the past year. The Green Team also continues to connect associates with environmental volunteering opportunities at nature preserves and community gardens.



Associate Gardens

Since 2009, our associates have maintained vegetable gardens on company property, utilizing our various growing products. The produce grown at these gardens is donated to local food banks to provide to those who lack access to fresh vegetables for healthy meals. To date, our associates have donated nearly 36,000 pounds of produce from these gardens—2,500 pounds in 2019.



36,000 LBS
PRODUCE GROWN
DONATED TO LOCAL
FOOD BANKS

Each spring, our Marysville, Ohio, associates volunteer their time to fill the Associate Garden beds with soil and plants. A large portion of the herbs and vegetables grown benefit local families in need.

Give Back to Gro

Our commitment to giving back to our communities is an important element of our corporate culture. We support our associates in their efforts to give back to their communities through our Give Back to Gro program. Our associates serve as goodwill ambassadors of ScottsMiracle-Gro by volunteering with local community organizations. We offer two paid days off per year to all eligible associates to use in community service. In 2019, this totaled more than 92,000 hours. Our associates use this time to plant community gardens, build houses, mentor students and clean up their communities, among other causes. A list of some organizations our associates have supported is found below.



Associate Support Fund

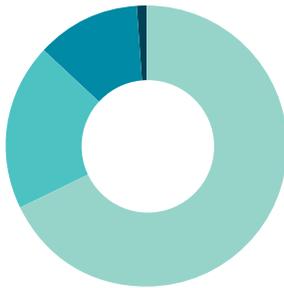
Our Associate Board exists to improve morale and enrich the work environment for our associates. It does this by providing services, activities, education, social and volunteer opportunities. The Associate Board also provides multiple ways for our associates to extend and receive a helping hand. Contributions committees provided more than \$24,000 in community grants for a range of associate-sponsored projects last year.

Another way our associates support one another is through the Associate Board's Green for Jeans program. This program directs support from associates to other associates who face hardship due to unexpected medical bills or family crises. Associates fund the program by paying a set fee in exchange for a badge that allows them to wear blue jeans to work. In 2019, this program raised more than \$100,000 and distributed \$68,500 in 31 grants to associates in need. Since its inception, this fund has generated more than \$430,000 in associate contributions.

ASSOCIATE DATA All data as of December 31, 2019

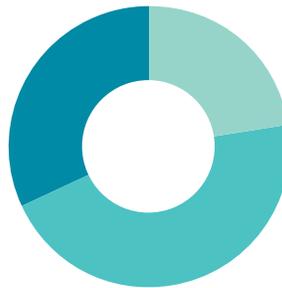
As of December 2019, our workforce numbered 5,635 regular associates as well as 1,192 temporary workers.

Workforce Levels



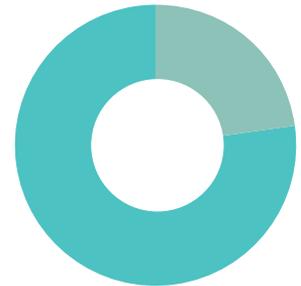
- 68% Hourly
- 19% Analyst/Sr Analyst
- 12% Manager and Director
- 1% VP, Senior VP and Executive VP

Workforce Age*



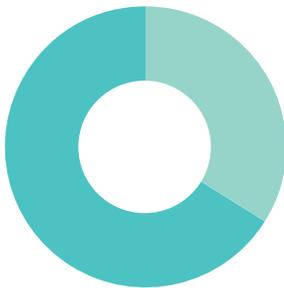
- 23% 30 years of age and under
- 46% 31 to 50 years of age
- 32% 51 years of age and over

Total Workforce Gender



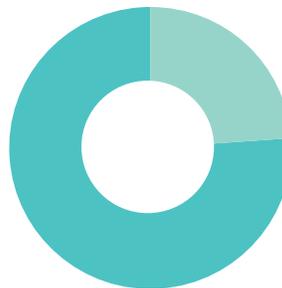
- 23% Female
- 77% Male

Salaried Workforce Gender (Director and below)



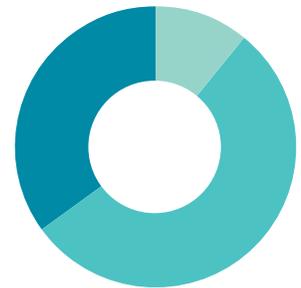
- 34% Female
- 66% Male

Leadership Gender (VP, SVP and EVP)



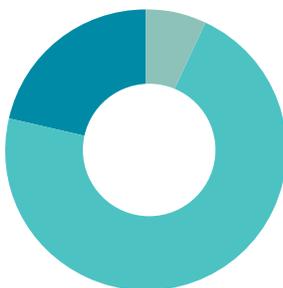
- 24% Female
- 76% Male

Workforce Ethnicity



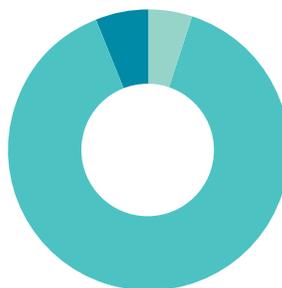
- 11% Minority
- 54% White
- 35% Did not disclose

Salaried Workforce Ethnicity*



- 7% Minority
- 71% White
- 21% Did not disclose

Leadership Workforce Ethnicity (VP, SVP and EVP)



- 5% Minority
- 89% White
- 6% Did not disclose

APPENDIX

ENVIRONMENTAL FINES AND SETTLEMENTS

PEOPLE	LOCATION	DATE	AMOUNT OF FINE	DESCRIPTION
Oregon Department of Agriculture	Oregon	1/21/2019	\$671.00	The Oregon Department of Agriculture alleged that Hawthorne (through business acquisition) mislabeled and/or adulterated certain product(s) produced in 2015 or earlier. Hawthorne settled the claims, and in the settlement denied the allegations, facts and conclusions set forth by the Department. The Department further acknowledged that Hawthorne did not act willfully or with gross negligence.
California Department of Food and Agriculture	California	10/2/2018	\$6,413.12	Administrative penalty issued in relation to alleged violations of fertilizer composition not meeting product guarantees.

Wild Bird Food

In 2019, we reached a final resolution of a consumer class action lawsuit relating to the wild bird food business that we once owned. As we previously noted, the issue stemmed from our purchase of wild bird food products and related production facilities from Gutwein & Co. in 2005. As was industry standard practice at the time of our purchase, the wild bird food was treated with pesticides to prevent insect infestation. The pesticides used by Gutwein and/or Scotts (Storcide II or Actellic 5E) for this purpose were approved by the U.S. Environmental Protection Agency (EPA) for human and certain animal consumption, but had not been approved for use on wild bird food.

In March 2008, we notified federal agencies that we had identified an issue with our wild bird food products, and initiated a voluntary recall of those products. We successfully completed that recall and resolved the issue with the U.S. EPA. Then, in 2012, several consumers sued us regarding the wild bird food. That litigation is now finally resolved. Through agreement with the plaintiffs and our company, the money remaining in the settlement fund is being donated to the National Audubon Society. With that donation, this chapter is officially closed.

Crosses Run

In cases where our facilities are located near areas of high biodiversity, we take steps to mitigate our impacts. In 1995 we began the Crosses Run Stream Restoration Project on our Marysville campus in land adjacent to our fertilizer plant and offices. Runoff from this plant and artificial channelizing of the stream's course led the Ohio Environmental Protection Agency (EPA) to designate Crosses Run as an impaired warm water habitat (WWH) and mandate its restoration. We worked closely with the Ohio EPA to develop and implement a comprehensive plan to reduce runoff and reintroduce a natural channel for the nearly 5,000 feet of stream that flows through company-owned property.

Over the course of the restoration project, independent evaluators periodically tested the stream to determine its progress toward recovery. In 2018, the Midwest Biodiversity Institute concluded, after performing tests for habitat and wildlife quality, "The Crosses Run results showed full WWH attainment for the first time in 23 years of bioassessment." Today, Crosses Run is home to many native birds and fish. In the past three years, associate volunteers have also planted streamside pollinator habitat and added bluebird feeders along the stream which they regularly monitor and refill.

Ray Lewis Landfill

In 2013, the Ohio Environmental Protection Agency (EPA) began investigating a property formerly known as the Ray Lewis Landfill. The property was operated as a landfill for a few years in the mid to late 1960s. The property sits adjacent to a mobile home park, owned and operated at the time of Ohio EPA's investigation by Marysville Estates. Ohio EPA's investigation uncovered contamination in soils within the landfill and on some of the adjacent mobile home parcels. Because it was believed the contaminants on the site came from our manufacturing facility, the Ohio EPA contacted both our company and Marysville Estates to investigate and remediate the area pursuant to an administrative order ("Order") that was negotiated among the parties. Although there was no direct evidence that the contamination came from the actions of our company, we worked cooperatively with the Ohio EPA to investigate and remediate the contamination at the landfill site and mobile home parcels.

Under a Supplemental Environmental Project that emerged as a result of this process, our company agreed to invest \$29,000 in establishing a new pollinator habitat at the State Route 33 interchange located at Scottslawn Road. This

effort was coordinated with the Ohio Department of Transportation's (ODOT) Pollinator Habitat Establishment Initiative. We worked closely with ODOT and the local chapter of Pheasants Forever to properly prepare the area, seeding it in the spring of 2019. Continued maintenance of the habitat will fulfill the Supplemental Environmental Project requirements and support our ongoing commitment to increasing pollinator-friendly landscapes on the Marysville campus.

Furthermore, we continued to work with the City of Marysville and the Ohio EPA regarding the transfer of the former Ray Lewis Landfill property to the City with the goal of converting it to a useful purpose. The fully remediated property has since been developed into a BMX park, bringing a beneficial new use to the City and its residents.

ENVIRONMENTAL DATA

HEALTH AND SAFETY		
Number of Lost Time Incidents		38
Total Number of Recordable Injuries		120
Total Number of Injuries		591
Total Number of Fatalities		0
Total Incident Rate		2.2
Total Lost Time Rate		0.6
Total Injury Rate		1.4
WASTE		
Total Waste Generated		31,385.1 short tons
Waste to Landfill*		12,223.6 short tons
Waste Diverted From Landfills		17,216.1 short tons
Hazardous Waste Generated		1,945.4 short tons
WATER		
Water Withdrawal	Purchased Water**	16,090.5 Megaliters
	Well Water***	1,439.3 Megaliters
	Total	17,529.8 Megaliters
Water Withdrawal Intensity		7.1 Megaliters/ \$ million of net sales
Water Discharged****		1.7 Megaliters
Water Recycled and Reused*****		5.0 Megaliters
ENERGY		
Energy Consumption Within the Organization		1,637,708.6 Gigajoules
Energy Intensity		659.1 Gigajoules/\$million of net sales
EMISSIONS		
GHG	Scope 1	75,460.1 MT CO ₂ e
	Scope 2	48,880.2 MT CO ₂ e
	GHG Intensity	50.0 MT CO ₂ e/ \$ million of net sales
Other Air Emissions*	NO _x	12.3 Tons
	SO _x	0.1 Tons
	Particulate Matter	0.9 Tons

Footnotes:

*In FY19, 67% of sites reported waste-to-landfill data.

**In FY19, 44% of sites reported purchased water data.

***In FY19, 49% of sites reported well water data.

****Covers data from Marysville and Ft. Madison Plants.

*****Covers data from Marysville plant.

SOCIAL DATA

Due to rounding, some percentages may not total 100%.

PEOPLE		
Headcount		
Total Regular Associates		5,635
Management Level		
Hourly	3,822	68%
Analyst/Sr Analyst	1,089	19%
Manager and Director	661	12%
VP, Senior VP and Executive VP	63	1%
Workforce Age		
30 Years of Age and Under	1,269	23%
31 to 50 Years of Age	2,584	46%
51 Years of Age and Over	1,782	32%
Total Workforce Gender		
Female	1,299	23%
Male	4,333	77%
Not Declared	3	0%
Salaried Workforce Gender (Director and Below)		
Female	586	34%
Male	1,158	66%
Leadership Gender (VP, SVP and EVP)		
Female	15	24%
Male	48	76%
Workforce Ethnicity		
Minority	645	11%
White	3,045	54%
Did Not Disclose	1,945	35%
Salaried Workforce Ethnicity		
Minority	134	7%
White	1,296	71%
Did Not Disclose	383	21%
Leadership Workforce Ethnicity (VP, SVP and EVP)		
Minority	3	5%
White	56	89%
Did Not Disclose	4	6%

ABOUT OUR DATA

The data in this report represents our most recent efforts at collecting our environmental data for our fiscal year 2019. As we evolve our sustainability programs, our goal is to continue improving our data collection practices. In this report, we include data from the operations of our North American consumer products businesses, but exclude The Hawthorne Gardening Company. In future years, we hope to expand our data collection processes to include the entirety of our business.

We use widely-accepted sustainability reporting standards to collect and analyze our environmental data. Primarily, we follow the recommendations of GRI in preparing this report. We follow the guidance of the [GHG Protocol](#) in preparing our Scope 1 and 2 greenhouse gas emissions calculations.

While we have made every effort to collect data from all of our sites, in some cases, we were not able to obtain data for our fiscal year 2019. Our most robust data collection processes are in place at our top 15 facilities, which comprise more than 50% of our annual production volume across our 52 production facilities throughout North America. In cases where we did not have waste and water data from all sites, we note it in the data table. We continue to improve the quality and breadth of our environmental data collection, including the systems and processes for recording and analyzing this data.

Water Data

As described in the operations section of this report, our manufacturing process is designed to reuse water as many times as possible before it is discharged. Because the water used in fertilizer production at our Marysville manufacturing plant is nutrient-rich, it is ultimately drawn off and sent to a local farmer for beneficial reuse. Last year that amounted to 4.95 megaliters of water recycled. In FY 2019 we also shipped process water offsite, of which 99% was treated by a third party and discharged to a local water treatment facility. This is equivalent to 1.72 megaliters of water discharge for FY19. The remaining 1% is reflected in our hazardous waste totals.

GRI CONTENT INDEX

Note: Black text indicates a disclosure within the index. Underline text indicates a link out to another section of the report or elsewhere on the website.

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
GRI 102: General Disclosures		
ORGANIZATIONAL PROFILE		
GRI 102: General Disclosures 2016	102-1 Name of the organization	The Scotts Miracle-Gro Company
	102-2 Activities, brands, products, and services	About ScottsMiracle-Gro; 2019 Form 10-K, p. 2
	102-3 Location of headquarters	14111 Scottslawn Road, Marysville, Ohio 43041
	102-4 Location of operations	About ScottsMiracle-Gro
	102-5 Ownership and legal form	Publicly traded company
	102-6 Markets served	About ScottsMiracle-Gro
	102-7 Scale of the organization	About ScottsMiracle-Gro; 2019 Form 10-K, p. 2
	102-8 Information on employees and other workers	Associate Data
	102-9 Supply chain	Suppliers
	102-10 Significant changes to the organization and supply chain	About ScottsMiracle-Gro
	102-11 Precautionary principle or approach	Although ScottsMiracle-Gro does not formally follow the precautionary principle, we assess risks across our operations.
	102-12 External initiatives	About ScottsMiracle-Gro
	102-13 Memberships of associations	Stakeholder Engagement
STRATEGY		
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker	Letter from Leadership
	102-15 Key impacts, risks, and opportunities	Materiality
ETHICS AND INTEGRITY		
GRI 102: General Disclosures 2016	102-16 Values, principles, standards, and norms of behavior	About ScottsMiracle-Gro
	102-17 Mechanisms for advice and concerns about ethics	Governance

GRI CONTENT INDEX Continued

Note: Black text indicates a disclosure within the index. Underline text indicates a link out to another section of the report or elsewhere on the website.

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
GRI 102: General Disclosures		
GOVERNANCE STRUCTURE		
GRI 102: General Disclosures 2016	102-18 Governance structure	Governance
	102-20 Executive-level responsibility for economic, environmental, and social topics	
	102-21 Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement
	102-22 Composition of the highest governance body and its committees	Governance
	102-23 Chair of the highest governance body	
	102-24 Nominating and selecting the highest governance body	2019 Form 10-K
	102-25 Conflicts of interest	
	102-26 Role of highest governance body in setting purpose, values, and strategy	2020 Proxy
	102-27 Collective knowledge of highest governance body	
	102-28 Evaluating the highest governance body's performance	
	102-29 Identifying and managing economic, environmental, and social impacts	About ScottsMiracle-Gro
	102-32 Highest governance body's role in sustainability reporting	Letter from Leadership
	102-38 Annual total compensation ratio	2020 Proxy
STAKEHOLDER ENGAGEMENT		
GRI 102: General Disclosures	102-40 List of stakeholder groups	Stakeholder Engagement
	102-41 Collective bargaining agreements	Diversity and Human Rights
	102-42 Identifying and selecting stakeholders	Stakeholder Engagement
	102-43 Approach to stakeholder engagement	
	102-44 Key topics and concerns raised	

GRI CONTENT INDEX Continued

Note: Black text indicates a disclosure within the index. Underline text indicates a link out to another section of the report or elsewhere on the website.

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
GRI 102: General Disclosures		
REPORTING PRACTICES		
GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	2019 Form 10-K
	102-46 Defining report content and topic Boundaries	About this Report; Materiality; Appendix. As noted in the “About this Report” section, environmental data for 2019 excludes Hawthorne sites.
	102-47 List of material topics	Materiality
	102-48 Restatements of information	Not applicable
	102-49 Changes in reporting	This report represents the company’s shift to the GRI Standards reporting framework, Core option.
	102-50 Reporting period	October 1, 2018, through September 30, 2019
	102-51 Date of most recent report	2019
	102-52 Reporting cycle	Annual
	102-53 Contact point for questions regarding the report	Jim King, EVP and Chief Communications Officer; sustainability@scotts.com .
	102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
	102-55 GRI content index	This document represents the company’s content index.
	102-56 Policy/practice for external assurance	The company is not seeking assurance for this year’s sustainability report.

GRI CONTENT INDEX Continued

Note: Black text indicates a disclosure within the index. Underline text indicates a link out to another section of the report or elsewhere on the website.

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
GRI 200: Economic Disclosures		
ECONOMIC PERFORMANCE		
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	2019 Form 10-K
	201-2 Financial implications and other risks and opportunities due to climate change	
	201-3 Defined benefit plan obligations and other retirement plans	
	201-4 Financial assistance received from government	
ECONOMIC PERFORMANCE		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Suppliers
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	Local procurement
GRI 300: Environmental Disclosures		
ENERGY		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Energy and Emissions
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 302: Energy	302-1 Energy consumption within the organization	Energy and Emissions
WATER		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Water
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
	303-1 Interactions with water as a shared resource	
	303-2 Management of water discharge-related impacts	
GRI 303: Water	303-3 Water withdrawal	Water
	303-4 Water discharge	

GRI CONTENT INDEX Continued

Note: Black text indicates a disclosure within the index. Underline text indicates a link out to another section of the report or elsewhere on the website.

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
GRI 300: Environmental Disclosures		
EMISSIONS		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	<u>Energy and Emissions</u>
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	<u>Energy and Emissions</u>
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	
EFFLUENTS AND WASTE		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	<u>Waste;</u> <u>Water</u>
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 306: Effluents and Waste	306-1 Water discharge by quality and destination	<u>Water</u>
	306-2 Waste by type and disposal method	
	306-4 Transport of hazardous waste	
	306-5 Water bodies affected by water discharges and/or runoff	
ENVIRONMENTAL COMPLIANCE		
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	<u>Appendix</u>

GRI CONTENT INDEX Continued

Note: Black text indicates a disclosure within the index. Underline text indicates a link out to another section of the report or elsewhere on the website.

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
GRI 400: Social Disclosures		
EMPLOYMENT		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	<u>People</u>
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 401: Employment	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<u>LiveTotal Health</u>
OCCUPATIONAL HEALTH AND SAFETY		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	<u>Health and Safety</u>
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 403: Occupational Health and Safety, 2018	403-1 Occupational health and safety management system	<u>Health and Safety</u>
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-4 Worker participation, consultation, and communication on occupational health and safety	
	403-8 Workers covered by an occupational health and safety management system	100%
	403-9 Work-related injuries	<u>Health and Safety</u>

GRI CONTENT INDEX Continued

Note: Black text indicates a disclosure within the index. Underline text indicates a link out to another section of the report or elsewhere on the website.

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
GRI 400: Social Disclosures		
TRAINING AND EDUCATION		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Training and Professional Development
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 404: Training and Education	404-1 Average hours of training per year per employee	Training and Professional Development
	404-2 Programs for upgrading employee skills and transition assistance programs	Training and Professional Development
	404-3 Percentage of employees receiving regular performance and career development reviews	Training and Professional Development
DIVERSITY AND EQUAL OPPORTUNITY		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Diversity and Human Rights
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Governance; Associate Data
CUSTOMER HEALTH AND SAFETY		
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundary	Products
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 416: Customer Health And Safety	416-1 Assessment of the health and safety impacts of product and service categories	Products
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Regulatory